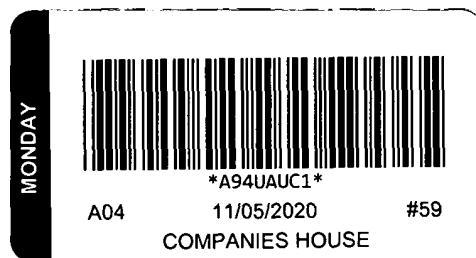


DATE: 04 May 2020

(1) THE FAN AREA LIMITED

ARTICLES OF ASSOCIATION

LONDON ♦ MILTON KEYNES



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NO. 10334837

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

THE FAN AREA LIMITED (THE "COMPANY")

(adopted by special resolution passed on 04 May 2020)

1 PRELIMINARY

- 1.1 The regulations referred to in regulation 2, and set out in schedule 1, of The Companies (Model Articles) Regulations 2008 (the "**Model Articles**") apply to the Company except to the extent that they are excluded and modified by these Articles, and are to the exclusion of all other regulations and Articles.
- 1.2 The registered office of the Company will be situated in England and Wales.

2 DEFINED TERMS

- 2.1 In these Articles, unless the context requires otherwise:

"**Act**" means the Companies Act 2006

"**Acting in Concert**" has the meaning given to it in the City Code on Takeovers and Mergers

"**Alternate**" or "**Alternate Director**" has the meaning given in Article 8

"**Appointor**" has the meaning given in Article 8

"**Approved Offer**" means an arm's length offer in writing for all the Shares (including any Shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into Shares in existence at the date of such offer) on equal terms (unless in the case of a particular member less favourable terms are agreed in writing with that member) and which:

- (a) is stipulated to be open for acceptance for at least 15 Business Days;
- (b) includes an undertaking by the offeror that neither it nor any person acting by agreement or understanding with it have entered into more favourable terms or have agreed more favourable terms with any other member for the purchase of Shares; and
- (c) has the prior written approval of the Board

"**Articles**" means the articles of association of the Company

"Asset Sale" means the sale, transfer or disposal of all or substantially all of the assets of the Company and any subsidiary and any holding company of the Company and any subsidiary of such holding company taken as a whole by way of any single transaction or series of transactions

"Associate" means, in relation to a Shareholder (a) who is an individual, any of his Relations, Family Trusts or the trustees of those Family Trusts, or (b) that is a company, any Member of the Same Group.

"Board" means the Board of Directors of the Company from time to time

"Business Day" means a day (other than Saturday or Sunday) on which banks are generally open in London for normal business

"Conflict of Interest" includes a conflict of duties, or a conflict of interest and duty, or a potential conflict

"Connected Person" shall have the meaning defined by section 252 of the Act

"Director" has the meaning given in regulation 1 of the Model Articles and includes a former director or a shadow director to the extent that the general duties apply to them and the definition of "director" in regulation 1 of the Model Articles is modified accordingly

"company" includes (except when referring to the Company) any body corporate, partnership, limited liability partnership, unincorporated business or association or other body

"Controlling Interest" means an interest in Shares conferring on the Holder(s) control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010

"Disposal" means, other than pursuant to an intra-group reorganisation, the sale or other disposal (whether by one transaction or series of related transactions) of the whole or substantially the whole of the assets or undertaking of the Company

"Eligible Director" means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter)

"Employee Trust" means a trust approved by the Board whose beneficiaries are bona fide Directors, employees or future Directors and/or employees of any Group Company

"Exit Event" means any of:

- (a) a Disposal;
- (b) a Share Sale;
- (c) a Liquidation; or
- (d) a Listing;

"Family Trusts" means in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder and/or his Relations

"FSMA" means the Financial Services and Markets Act 2000

"Group" means the Company, and Subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and "Group Company" shall be construed accordingly

"Holder" in relation to Shares means the member whose name is entered in the register of members as the holder of the Shares

"holding company" has the meaning given in Article 2.2

"Independent Expert" means an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within five Business Days of any party concerned proposing a firm, appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales

"Invitees" means a person or persons selected by the Board being any employee or officer of the Company or Group Company or prospective employee or officer of the Company or Group Company or the trustees of an Employee Trust

"Liquidation" means the passing of a resolution for the winding-up of the Company

"Listing" means the unconditional granting of permission for any of the Shares to be dealt in on any recognised investment exchange (as defined in section 285 of FSMA) and **"Listed"** will be construed accordingly

"Member of the Same Group" means as regards any company, a subsidiary of that company, a company which is from time to time its holding company, and any other subsidiary of any such holding company

"Ordinary Share" means an ordinary share of £0.01 in the equity share capital of the Company, having the rights and being subject to the restrictions set out in these Articles

"Options" means any option, warrant, security, right or other instrument convertible into or exchangeable or exercisable for, or otherwise giving the holder thereof the right to acquire, directly or indirectly, any Shares

"Proceeds Available for Distribution" means:

- (a) on a Listing, the valuation placed on all of the Shares on the date on which all or any of the Shares are Listed (subject only (where relevant) to any announcement under the rules of the UK Listing Authority or under equivalent rules applicable in any other jurisdiction), as shown in the prospectus or listing particulars published in connection with the Listing, less the gross amount of any new money raised by the Company in

connection with the Listing from a subscription for new Shares;

- (b) on an Asset Sale, the total consideration paid or payable for the assets sold or transferred (whether that consideration is to be satisfied in cash, shares, loan notes or a combination thereof or otherwise);
- (c) on a Share Sale, the total consideration paid or payable for all of the Shares (whether that consideration is to be satisfied in cash, shares, loan notes or a combination thereof or otherwise); and
- (d) on a Liquidation, the aggregate amount in money or money's worth available for distribution to Holders of Shares after payment of creditors,

in each case less the amount of costs and expenses reasonably and properly incurred and borne by the Company in respect of either of the above events

"Recognised Investment Exchange" bears the meaning set out in section 285 of FSMA

"Relation" means the spouse, civil partner, widow or widower of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the Shareholder's children

"Share Sale" means the completion of any transaction or series of transactions in which any person, Connected persons or group of persons acting in concert purchases or otherwise obtains a Controlling Interest

"Shareholder Majority" means those shareholders holding Shares that together confer 75% or more of the total voting rights exercisable in general meetings of the Company and must include Jonathan Thornes or another transferee of his shares in accordance with these articles.

"Shares" means shares in the equity share capital of the Company and any shares derived therefrom whether by conversion, consolidation or subdivision or by way of rights or bonus issue or otherwise for the time being in issue

"subsidiary" has the meaning given in Article 2.2

"Transfer Notice" means a notice in writing to the Company notifying a wish to transfer Shares under these Articles

"Vendor" has the meaning given in Article 16.1

- 2.2 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

2.2.1 another person (or its nominee), by way of security or in connection with the taking of security; or

2.2.2 its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

2.3 Unless the context otherwise requires words or expressions which have particular meanings in the Model Articles or in the Act have the same meanings in these Articles.

2.4 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the Articles of Association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

2.5 Model Articles 7, 8, 14(1) to (4) inclusive, 21, 24(2)(c), 38, 39, 44(2), 49, and 51 to 53 (inclusive) shall not apply to the Company.

2.6 Model Article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

- 2.7 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.8 Model Article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as a transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

3 DECISION-MAKING BY DIRECTORS

- 3.1 Any decision of the Directors must be:
- 3.1.1 a majority decision at a Directors' meeting; or
 - 3.1.2 a decision taken in accordance with regulation 8 of the Model Articles; or
 - 3.1.3 By way of a Directors' written resolution;
- and regulation 7(1) of the Model Articles is modified accordingly.

4 QUORUM FOR DIRECTORS' MEETINGS

- 4.1 The quorum for Directors' meetings shall be a minimum of two Directors.

5 CASTING VOTE

- 5.1 In the case of an equality of votes, the chairman shall have a casting vote.

6 DIRECTORS' WRITTEN RESOLUTION

- 6.1 Any Director may propose a Directors' written resolution.
- 6.2 The Directors, or the company secretary (if one is appointed), must propose a Directors' written resolution if a Director so requests.
- 6.3 A Directors' written resolution is proposed by giving notice in writing of the proposed resolution to all the Directors.
- 6.4 Notice of a proposed Directors' written resolution must indicate:
- 6.4.1 the nature of the proposed resolution, and
 - 6.4.2 the time by which it is proposed that the Directors should adopt it.
- 6.5 Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken in good faith and in the interests of the Company.
- 6.6 A proposed Directors' written resolution is adopted when all 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.

6.7 Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Directors' meeting in accordance with the Articles.

6.8 The Directors, or the company secretary (if one is appointed), must ensure that the Company keeps an accurate written record of all Directors' written resolutions for at least 10 years from the date of their adoption.

7 DIRECTORS' CONFLICTS OF INTEREST

7.1 Regulation 14 of the Model Articles does not apply.

7.2 The Directors may, in accordance with the requirements set out in this Article 7, authorise any matter or situation proposed to them by any Director which would, if not so authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**").

7.3 Any authorisation under this Article 7 will be effective only if:

7.3.1 the matter in question shall have been proposed in writing 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 in writing;

7.3.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Director in question or any other interested Director (together referred to as the "**Interested Directors**"); and

7.3.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

7.4 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):

7.4.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise from the matter or situation so authorised;

7.4.2 provide that an Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) in any respect relating to the Conflict;

7.4.3 provide that an Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution relating to the Conflict;

7.4.4 impose upon an Interested Director such other terms, conditions, limitations or other obligations for the purposes of dealing with the Conflict as the Directors determine;

7.4.5 provide that, where an Interested Director obtains or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs if to do so would amount to a breach or potential breach of that confidence; and

7.4.6 permit an Interested Director to absent himself from participation in the decision making or 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.

7.5 Where the Directors authorise a Conflict, an Interested Director will be obliged to conduct himself in accordance with any terms, conditions, limitations or obligations imposed by the Directors in relation to the Conflict as referred to Article 7.4.4 or otherwise.

7.6 The Directors shall at their own unfettered discretion be permitted to revoke or vary such authorisation at any time, but this will not affect anything done by an Interested Director prior to such revocation or variation, and in accordance with the terms of such authorisation.

7.7 A Director is not required, by reason of being a Director (or more particularly because of the fiduciary relationship by virtue of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors 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 in these particular circumstances.

8 ALTERNATE DIRECTORS

8.1 Any Director (the "**Appointor**") may appoint as an alternate (the "**Alternate**") any other Director, or any other person approved by resolution of the Directors, to:

8.1.1 exercise that Director's powers, and

8.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Alternate's Appointor.

8.2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner with the prior approval of the Directors.

8.3 The notice must:

8.3.1 identify the proposed Alternate, and

8.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that the proposed Alternate is willing to act as the Alternate of the Director giving notice.

9 RIGHTS OF ALTERNATE DIRECTORS

9.1 An Alternate has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the Alternate's Appointor.

9.2 Except where the Articles specify otherwise, an Alternate:

9.2.1 is deemed for all purposes to be a Director;

- 9.2.2 is liable for his own acts and omissions;
- 9.2.3 is subject to the same restrictions as were applicable to his Appointor; and
- 9.2.4 is not deemed to be an agent of his Appointor.
- 9.3 A person who is an Alternate:
 - 9.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that Alternate's Appointor is not participating), and
 - 9.3.2 may sign a written resolution (but only if it is not signed or intended to be signed by that Alternate's Appointor).
- 9.4 No Alternate may be counted as more than one Director for such purposes.
- 9.5 An Alternate shall not be entitled to receive any remuneration from the Company for serving as an Alternate except such part, if any, of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing given to the Company.
- 9.6 An Alternate shall be entitled to receive notice of all meetings of Directors and all meetings of committees of Directors of which his Appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his Appointor as a Director in his absence. It shall however not be necessary to give notice of such a meeting to an Alternate Director who is absent from the United Kingdom.

10 TERMINATION OF ALTERNATE DIRECTORSHIP

- 10.1 An Alternate's appointment terminates:
 - 10.1.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying a date of termination;
 - 10.1.2 on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
 - 10.1.3 on the death of the Alternate's Appointor; or
 - 10.1.4 in the event that the Alternate's Appointor's appointment as a Director terminates.

11 ASSOCIATE DIRECTOR

- 11.1 The Directors may at any time and from time to time appoint any person to be an associate director with a title that includes the word "director" (an "**associate director**"). An associate director is neither a Director of the Company, nor a member of the Board. The Directors may define and limit the powers and duties of any associate director and may determine their remuneration, which may be in addition to their remuneration as managers or employees of the Company.

12 SHARE CERTIFICATES

- 12.1 Sub-paragraph (d) of regulation 24(2) of the Model Articles shall not apply.

13 SHARE RIGHTS

- 13.1 Each Holder of Shares shall be entitled to receive notice of, attend and vote at general meetings of the Company.
- 13.2 Subject to Article 13.3, any amounts that the Company may decide to distribute shall be distributed amongst all Holders pro rata to the amount paid up per share.
- 13.3 On an Exit Event, the total Proceeds Available For Distribution among all Holders will be distributed to all Holders pro rata to the amount paid up per Share.
- 13.4 Upon the completion of an Asset Sale, all Holders shall procure that the Company is wound up and shall take all such steps as are required to wind up the Company and distribute the assets of the Company remaining after the payment of its liabilities to all Holders in accordance with Article 13.3.
- 13.5 Immediately prior to and conditional upon a Listing:
- 13.5.1 all Holders shall enter into such reorganisation of the Shares as they may agree or, in default, as the Company's auditors shall specify, to ensure that the Holders are in the same economic position as if the order of priority set out in Article 13.3 for the distribution of the Proceeds Available For Distribution had been applied to the Listing; or if the Board resolves otherwise
- 13.5.2 the Company shall issue to each Holder, by way of automatic capitalisation of reserves, such number of new Shares as would put them in the same economic position as if the order of priority set out in Article 13.3 for the distribution of the Proceeds Available For Distribution had been applied to the Listing.
- 13.6 All Shares to be issued in accordance with Article 13.5 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Board and shall be credited as fully paid at par. Such a capitalisation shall be automatic and shall not require any action on the part of the Holders and the Board shall allot the Shares arising on the capitalisation to the Holders entitled to them in accordance with Article 13.5. If and to the extent that the Company is not lawfully permitted to carry out the capitalisation required by Article 13.5 in full (whether by virtue of the Act or otherwise), each such Holder shall be entitled to subscribe in cash at par for the balance of that number of additional Shares as would otherwise have been issued pursuant to Article 13.5. The Holders shall procure (so far as they are lawfully able to do so) that the Board shall have sufficient authorisations required to issue the Shares which may fall to be issued under Article 13.5 or this Article 13.6.
- 13.7 The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

14 ALLOTMENT OF SHARES

- 14.1 Any new Shares, or other securities of the Company shall be offered by the Directors for subscription to the Holders as far as possible, on the same terms (and, without prejudice to the generality of the foregoing) including any obligation to subscribe for other securities or provide debt to the Group which can reasonably be considered as a term of the offer to subscribe for new Shares in such proportions as equal (as far as possible) the proportion of Shares held by them respectively at that time.
- 14.2 The offer will be made by notice specifying the number and class of Shares or securities offered, the price per Share or security, and a time (being not less than ten Business Days) within which the offer, if not accepted, shall be deemed to be declined. At the end of that period or, if earlier, upon receipt of an indication from the persons to whom such notice is given that they decline to accept some or all of the Shares or securities so offered, the Directors shall offer the declined Shares or securities in the same proportions to the Holders of Shares who have accepted all the Shares or securities 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 five Business Days after which it will (to the extent that any Shares or securities remain unaccepted) be deemed to have been upon the expiry of that period withdrawn.
- 14.3 Any Shares or securities not taken up at the end of the process set out in Articles 14.1 and 14.2 may be offered by the Directors to a third party and, subject to these Articles and the provisions of the Act, such Shares or securities 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 on such terms as they think fit.
- However:-
- 14.3.1 no Shares shall be issued at a discount;
- 14.3.2 no Shares or securities will be issued more than 3 months after the end of the period for acceptance of the last offer of such Shares or securities under Articles 14.1 and 14.2 unless the procedure set out in those Articles is repeated in respect of such Shares or securities; and
- 14.3.3 no Shares or securities shall be issued on terms which are more favourable than those on which they were offered to the members.
- 14.4 If, due to any inequality between the number of new Shares or securities to be issued and the number of shares held by Holders entitled to have the offer of new Shares or securities made to them, and/or any difficulty arises in the apportionment of any such new Shares amongst the Holders, such issues shall be determined by the Board.
- 14.5 Shares may be issued as nil paid, partly paid or fully paid.
- 14.6 Regulation 24(2)(c) of the Model Articles shall be amended by the deletion of the words "that the shares are fully paid" and the insertion of the words "the extent to which the shares are paid up".

15 PERMITTED TRANSFERS

- 15.1 Any Holder may at any time transfer all or any of his Shares to (i) any other person with the prior written consent of the Board or (ii) an existing shareholder and all such transfers (if any) shall be registered by the Board.
- 15.2 Notwithstanding anything to the contrary in these Articles, in respect of any Shares held by Seedrs Nominees Limited, the following transfers shall be permitted without any restrictions and be deemed "Permitted Transfers":
- 15.2.1 a transfer of the Shares to any person who is the beneficial owner of such shares;
 - 15.2.2 a transfer of the Shares to any person who is to hold the shares as nominee for the beneficial owner in substitution for the then registered shareholder; and
 - 15.2.3 a transfer of the beneficial ownership of such share, where the identity of the registered legal shareholder remains the same before and immediately after such transfer of beneficial ownership.

16 SHARE TRANSFER PROCEDURE

- 16.1 Any Holder of Shares who wishes to transfer any of such Shares (a "**Vendor**") otherwise than in accordance with Article 15 shall give a Transfer Notice specifying:
- 16.1.1 the number of Shares which he wishes to transfer ("**Sale Shares**");
 - 16.1.2 the price at which he wishes to sell such Sale Shares;
 - 16.1.3 the name and address of any third party to whom he proposes to transfer the Sale Shares and the terms of any offer made by that third party; and
 - 16.1.4 whether the Transfer Notice is conditional upon all or part only of the Sale Shares as specified as being sold pursuant to the offer hereinafter referred to, and in the absence of such stipulation it shall be deemed not to be conditional.
- 16.2 Where any Transfer Notice is given in accordance with Article 16.1, the sale price of the Sale Shares shall be the price specified in the Transfer Notice pursuant to Article 16.1.2.
- 16.3 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified:
- 16.3.1 that all the Shares registered in the name of the Vendor shall be included in the proposed transfer;
 - 16.3.2 that the sale price of the Sale Shares shall be determined in accordance with Articles 17.4 to 17.6; and
 - 16.3.3 that the Transfer Notice is not conditional upon all (and not part only) of the Shares so specified being sold pursuant to the offer.

- 16.4 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the Vendor and the Board shall use its best endeavours to agree the sale price of the Sale Shares being the subject of the deemed Transfer Notice within 10 Business Days of the date of the deemed Transfer Notice and, if agreement is reached, such agreed price shall be the sale price of the Sale Shares the subject of the deemed Transfer Notice.
- 16.5 In the event that agreement is not reached as to the sale price of the Sale Shares pursuant to Article 16.4 within ten Business Days of the date of the Transfer Notice, the Board shall within twenty Business Days of receiving notice of the events giving rise to the deemed issue of such Transfer Notice having occurred instruct the Independent Expert to determine, in accordance with Article 16.6, the sale price of the Sale Shares the subject of the Transfer Notice.
- 16.6 Where the Independent Expert is instructed pursuant to Article 16.5, the sale price of the Sale Shares shall be the value which the Independent Expert certifies in his opinion as representing the fair value of the Sale Shares. In reaching his conclusion as to valuation, the Independent Expert shall value the Sale Shares as at the date the Transfer Notice is deemed to have been served:-
- 16.6.1 as shares in the Company on a going concern basis;
 - 16.6.2 as on an arm's length basis between a willing seller and a willing buyer;
 - 16.6.3 on the assumption that the Sale Shares are capable of transfer without restriction;
 - 16.6.4 taking into consideration the various provisions of these Articles; and
 - 16.6.5 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent.
- 16.7 The sale price of the Sale Shares whether fixed, agreed or determined under these Articles shall be referred to as the "**Transfer Price**".
- 16.8 Any Holder of Shares (including the Vendor) shall be entitled to make representations as to the calculation as to the fair value of the Sale Shares to the Independent Expert within twenty Business Days of his appointment (which shall be notified to the members within five Business Days of being made) and the Independent Expert shall be required to take into account in calculating the fair value of the Sale Shares all reasonable representations so made to him.
- 16.9 The decision of the Independent Expert as to the Transfer Price shall, save in the case of clerical or manifest and material error appearing within fifteen Business Days of the Independent Expert's determination of the Transfer Price, be final and binding. The Independent Expert's reasonable charges including disbursements and value added tax in connection with the determination will be paid as to one half by the Company and the other half by the Vendor.
- 16.10 No Transfer Notice once given in accordance with Article 16 shall be withdrawn without the consent in writing of the Board.
- 16.11 The Transfer Notice shall permit the Company to be treated as the agent of the Vendor for the sale

of the Sale Shares specified therein at the Transfer Price.

- 16.12 Once the Transfer Price has been fixed, agreed or determined (as the case may be), the Company shall within sixty Business Days of the Transfer Price being fixed, agreed or determined give notice in writing to any Invitees and to each of the Holders of Shares (other than the Vendor) informing them that the Sale Shares are available and the Transfer Price and shall invite each such Holder (other than the Vendor) and each Invitee to state in writing within twenty five Business Days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares at the Transfer Price. The Company shall not be required to give notice to any Invitees and to each of the Holders of Shares in accordance with this Article 16.12 if:

16.12.1 an Invitee has given notice to the Company that he/it shall acquire all of the Sale Shares;
or

16.12.2 Invitees have given notice to the Company that they shall, between them, acquire all of the Sale Shares.

- 16.13 The notice in Article 16.12 shall state that Sale Shares shall be offered:-

16.13.1 first to any Invitee; thereafter:

16.13.2 to the extent that they are not acquired by Invitees, to each of the Holders of Shares (other than the Vendor) on terms that, in the event of competition, the remaining Sale

16.13.3 Shares offered shall be sold to the Holders of Shares accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares ("**Proportionate Entitlement**"). It shall be open to each such Holder to specify if he is willing to purchase the remaining Sale Shares in excess of his Proportionate Entitlement ("**Excess Shares**") and if the member does so specify he shall state the number of Excess Shares.

- 16.14 After the expiry of the offers to be made pursuant to Article 16.12 and 16.13 above, the Board shall allocate the Sale Shares in the following order:

16.14.1 first, to any Invitees; then

16.14.2 if the total number of remaining Sale Shares applied for is equal to or less than the available number of remaining Sale Shares, the Company shall allocate the number applied for in accordance with the applications;

16.14.3 if the total number of remaining Sale Shares applied for is more than the available number of remaining Sale Shares, each Holder of Shares shall be allocated his Proportionate Entitlement or such lesser number of remaining Sale Shares for which he may have applied and applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each Holder applying for Excess Shares in the proportion which the total number of Shares held by such Holder bears to the total number of Shares held by all such Holders applying for

Excess Shares and provided that such Holder shall not be allocated more Excess Shares than he shall have stated himself willing to take and in either case the Company shall forthwith give notice of each such allocation ("**Allocation Notice**") to the Vendor and each of the persons to whom remaining Sale Shares have been allocated ("**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 15 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares be completed.

- 16.15 Subject to Article 16.16, upon such allocation being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price for each of the Sale Shares, to transfer the Sale Shares as required by Article 16.14. If the Vendor defaults in so doing, any person nominated by the Board for that purpose shall forthwith be deemed to be the duly appointed attorney of the Vendor with full authority to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Invitee and/or the Member Applicant (as appropriate) and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Invitee and/or the Member Applicant (as appropriate) in the register of members as the Holder or Holders by transfer of the Sale Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until such time as he shall deliver up his certificate or certificates for the relevant Sale Shares to the Company whereupon he shall be paid the purchase money.
- 16.16 If the Vendor shall have included (or be deemed to have included pursuant to these Articles) in the Transfer Notice a provision that unless all the Sale Shares are sold, none shall be sold and if the aggregate number of Sale Shares applied for by Invitees and/or Member Applicants is less than the total number of Sale Shares then a further invitation shall be open for twenty five Business Days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this Article shall be conditional upon such provision as aforesaid being complied with in full.
- 16.17 In the event of all the Sale Shares specified in a Transfer Notice not being sold under the preceding paragraphs of this Article, the Company shall forthwith give notice in writing of this fact to the Vendor, and the Vendor may at any time within three calendar months following receipt of such notice from the Company that the pre-emption provisions herein contained have been exhausted, with the prior written approval of the Board transfer any Sale Shares not sold at any price not less than the Transfer Price and on terms no more favourable than those offered to the Invitees and/or holders of Shares PROVIDED THAT if the Transfer Notice was conditional upon all and not part only of the Sale Shares so specified being transferred pursuant to the offer then all of the Sale Shares so specified must be sold to the third party.
- 16.18 The provisions of Articles 16.1 to 16.17 above shall not apply to transfers of Shares. Any Holder of Shares shall be entitled to transfer or transmit Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of such Holder's entire holding of Shares to a single transferee (except with the prior sanction of a resolution of the Board).

- 16.19 Notwithstanding the provisions relating to the transfer of Shares in these Articles, if a transfer of Shares would result, if made and registered, in a person and/or his Connected Persons obtaining a Controlling Interest, no transfer of Shares shall be made or registered unless an Approved Offer is made and accepted in accordance with Article 23.
- 16.20 Any transfer of Shares in the Company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these Articles.
- 16.21 If at any time an Approved Offer is made which is accepted by a Shareholder Majority, the Holders who have not accepted the Approved Offer shall be obliged to accept the Approved Offer in respect of the Shares held by them and to sell all of the Shares held by them in accordance with such Approved Offer in accordance with Article 24.
- 16.22 Save as expressly provided in these Articles, a transfer of Shares in accordance with these Articles shall mean a transfer of the entire legal and beneficial interest in such Shares, whereby a Holder cannot transfer one without the other.
- 16.23 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between the Holders in such form as the Directors may responsibly require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this Article 16.24, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 16.24 To enable the Directors to determine whether or not there has been a disposal of Shares (or any interest in Shares) in breach of these Articles, the Directors may from time to time require any Holder to provide the Company with such information and evidence as they may reasonably require relevant to that determination. If a Holder fails to provide information or evidence in respect of any Shares registered in his name to the reasonable satisfaction of the Directors within 10 Business Days of their request, the Directors may serve a notice on the Holder stating that he shall not in relation to those Shares be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the Holders of Shares of that class, or to vote on a written resolution of the Holders or to receive dividends on the Shares until such evidence or information has been provided to the Directors' satisfaction.

17 GENERAL MEETINGS

- 17.1 Regulation 41 of the Model Articles applies with the addition of the following sentence:
"If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, any person or persons entitled to vote upon the business to be transacted, being (or each being) a holder of Shares or a proxy for a holder of Shares or a duly authorised representative of a corporation holding Shares, shall be a quorum if he is (or they are together) entitled to cast more than one half of the number of votes which might be cast at the meeting upon the business to be transacted; or in other circumstances, the meeting shall be dissolved."

18 WRITTEN RESOLUTIONS

- 18.1 The joint Holder whose name comes first in the register of members in respect of any joint holding is authorised to agree to any written resolution on behalf of all the joint Holders and to receive any document which is required by the Act to be supplied to the joint Holders in connection with that resolution.

19 CHANGE OF COMPANY NAME

- 19.1 The Directors may change the name of the Company by a Directors' written resolution in accordance with Article 6.

20 INDEMNITY

- 20.1 Subject to the provisions of the Act, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all reasonable costs, charges, expenses, losses or liabilities which he may sustain or incur in general good faith in or about the execution of the duties of his office or otherwise in relation thereto, including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss or damage which may at any time be sustained by the Company in the proper execution of the duties of his office or in relation thereto.
- 20.2 Without prejudice to the provisions of Article 20.1, the Board shall have the power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors, officers, employees or auditors of the Company or of any subsidiary undertaking of the Company including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such subsidiary undertaking subject to them not knowingly acting ultra vires.

21 REPORTING

21.1 The Company shall:

21.1.1 deliver to the Holders of Shares within 15 Business Days of the end of each quarter, quarterly cumulative management accounts of the Company (including a balance sheet, profit and loss account, cash flow statement and statement of the Company's cash position at the bank and in the Company's books as at the end of the relevant quarter together with a statement of the current level of the Company's bank facilities), and a commentary on the trading and prospects of the Company;

21.1.2 the annual reports and audited accounts or certified accounts of the Company, together with any management letters in respect thereof, forthwith upon the same becoming available and, in any event, not later than 7 months following the end of the financial period to which they relate.

21.2 The Company shall, at least once in every period of 6 months, present a progress report to all shareholders.

22 SHAREHOLDER CONSENTS

22.1 The consent of a Shareholder Majority shall be required for an in respect of:

22.1.1 the variation of the equity share capital of the Company or the creation or the granting of any option or other right to subscribe for shares or convert into shares in the equity share capital of the Company or the variation of the rights attaching to shares in the equity share capital of the Company;

22.1.2 the alteration of the memorandum or articles of association of the Company;

22.1.3 the reduction of the Company's share capital, share premium account, capital redemption reserve or any other reserve, or the reduction of any uncalled liability in respect of partly paid shares of the Company;

22.1.4 the taking of steps to wind up or dissolve any the Company;

22.1.5 any material change in the nature of the Company's business or any disposal of the whole or substantially the whole of the business;

22.1.6 the creation of any mortgage or charge over any asset of the Company;

22.1.7 the giving of any guarantee by the Company other than in the ordinary course of trading;

22.1.8 the entering into by the Company of any contract or arrangement outside the ordinary course of trading or otherwise than at arm's length;

- 22.1.9 the incorporation of a new subsidiary undertaking of the Company or the acquisition by the Company of an interest in any shares in the capital of, or any material business and assets of, any body corporate;
- 22.1.10 the entering into by the Company of any agreement or arrangement in the nature of a joint venture, partnership or consortium;
- 22.1.11 the passing of any resolution to dis-apply any pre-emption provisions of the Act to any allotment of the Company's equity securities;
- 22.1.12 the purchase or redemption by the Company of its own shares;
- 22.1.13 the making of any application for a Listing of the Company's shares;
- 22.1.14 the declaration, making or payment of any dividend by the Company; and
- 22.1.15 the making of any loan to any Director or employee of or consultant to the Company.

23 TAG ALONG

- 23.1 Except in the case of transfers pursuant to Article 24, the provisions of Article 23.2 shall apply if, in one or a series of related transactions, one or more transferor(s) of Shares (a "**Seller(s)**") propose to transfer any Shares (a "**Proposed Transfer**") which would, if carried out, result in any person (other than a person who holds a Controlling Interest in the Company at that time or an Associate of such a person) (a "**Buyer**"), and any person Acting in Concert with the Buyer, holding a Controlling Interest in the Company.
- 23.2 Before completing the Proposed Transfer, a Seller shall procure that the Buyer makes an offer (an "**Offer**") to each of the other Shareholders to buy 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 (the "**Specified Price**").
- 23.3 The Offer shall be made by Written notice (an "**Offer Notice**"), at least 20 Business Days (the "**Offer Period**") before the proposed sale date (the "**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
 - 23.4.1 the identity of the Buyer;
 - 23.4.2 the purchase price and other terms and conditions of payment;
 - 23.4.3 the proposed date of the transfer; and
 - 23.4.4 the number of Shares proposed to be purchased by the Buyer from each such Shareholder (the "**Offer Shares**").
- 23.4 If the Buyer fails to make the Offer to all holders of Shares in the Company then, except where Article 24.7 applies, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer intended to effect the Proposed Transfer.
- 23.5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by all Accepting Shareholders.

24 DRAG ALONG

- 24.1 If the Holders of 85% or more of the Shares in issue for the time being (the "Selling Shareholders") wish to transfer all of their interest in Shares (the "**Sellers' Shares**") to a bona fide arm's length purchaser (the "**Proposed Buyer**"), the Selling Shareholders have the option to require all the other Holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (the "Drag Along Option").
- 24.2 The Selling Shareholders may exercise the Drag Along Option by giving Written notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:
- 24.3.1 the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") pursuant to this Article 24;
- 24.3.2 the person to whom the Called Shares are to be transferred;
- 24.3.3 the consideration payable for the Called Shares calculated in accordance with Article 24.4; and
- 24.3.4 the proposed date of the transfer.
- 24.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 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.
- 24.4 The Called Shareholders shall sell each Called Share for a consideration in cash per Share that is at least equal to the highest price per Share offered or Paid by the Proposed Buyer, or any person Acting in Concert with the Proposed Buyer, to the Selling Shareholders for the Sellers' Shares or in any related previous transaction in the six months preceding the date of the Drag Along Notice.
- 24.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 24.
- 24.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 24.7 Provided that the Proposed Buyer is ready, willing and able to complete the sale of the Called Shares on the completion date determined in accordance with Article 24.6, the requirement for a mandatory offer under Article 23 shall not apply to any transfer of Shares to a Proposed Buyer (or as they may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 24.8 On the completion date determined in accordance with Article 24.6, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company and, against delivery of such documents, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 24.3 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 pursuant to Article 24.3 in trust for the Called Shareholders without any obligation to pay interest.
- 24.9 To the extent that the Proposed Buyer has not, on the completion date determined in accordance with Article 24.6, put the Company in funds to pay the consideration due pursuant to Article 24.3, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no

further obligations under this Article 24 in respect of their Shares.

- 24.10 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by him, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent to execute all necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such Holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the Holder thereof. After the Proposed Buyer (or their nominee) has been registered as the Holder, 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 24.
- 24.11 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares or on the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 24 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.