

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

SATURDAY



WRITTEN RESOLUTIONS OF CLOSERSTILL E-COMMERCE LIMITED (Company)

On **17 APR** 2018 the following special resolutions were duly passed as written resolutions of the Company pursuant to section 288 of the Companies Act 2006:

SPECIAL RESOLUTIONS

- 10 That the provisions of the articles of association of the Company be altered by the insertion of new articles 7.5, 7.6 and 7.7 as follows (with the existing articles being renumbered accordingly):

"7.5 Notwithstanding anything to the contrary contained in these articles, where a transfer of any shares in the Company is or is proposed to be.

7.5.1 executed by a Secured Party by way of the exercise of any power of sale or other enforcement power under any relevant security interest;

7.5.2 executed by a receiver or manager or similar officer appointed by or on behalf of any Secured Party under any relevant security interest; or

7.5.3 made to any Secured Party pursuant to any relevant security interest,

(each being a **Secured Party Transfer**),

7.5.4 the directors (or director if there is only one) of the Company may not decline to register (or suspend the registration of) such a Secured Party Transfer,

7.5.5 a holder of shares in the Company shall not be required to comply with any provision of the Articles which restricts the transfer of shares or which requires any such shares to be first offered to all or any shareholders for the time being of the Company before any such Secured Party Transfer may take place; and

7.5.6 a holder of shares in the Company shall not have any right under the Articles or otherwise to require any shares that are the subject of a Secured Party Transfer to be transferred to them,

and, for the avoidance of doubt, regulations 4 and 26(5) of the private company model articles shall not apply insofar as it would otherwise prevent or restrict any Secured Party Transfer (or the recognition of any Secured Party Transfer).

A certificate by any officer of a Secured Party that the shares were so charged, mortgaged or pledged and the transfer was or will be so executed shall be conclusive evidence of such facts.

7.6 Notwithstanding anything contained in these Articles, the Company shall have no present or future lien on any share, dividend or moneys payable in respect of shares which have been mortgaged, charged or pledged by way of security to a Secured Party and any lien conferred pursuant to these Articles shall not apply in respect of any such share, dividend or moneys payable.

7.7 If there is any inconsistency between any provision of these articles 7.5, 7.6 and 7.7 and any provision of any other article, the provisions of these articles 7.5, 7.6 and 7.7 shall apply.

Company No. 10878075

"Secured Party" means, in respect of any shares, any bank, institution or other entity or person to which such shares have been mortgaged, charged or pledged (or in favour of which any other security interest in such shares has been created) and any nominee, agent or trustee for any such entity or person."


.....
Director

Company No. 10878075

The Companies Act 2006

Private Company Limited by Shares

**ARTICLES OF ASSOCIATION
OF
CLOSERSTILL E-COMMERCE LIMITED**

(adopted by Special Resolution passed on 17 April 2018)

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1 Definitions and interpretation

1.1 In these Articles unless the context otherwise requires:

"A Ordinary Shares"	means the A ordinary shares of £1.00 each in the issued share capital of the Company;
"A Shareholder"	means the person(s) from time to time registered as the holder(s) of A Ordinary Shares;
"Acquisition Shares"	means as defined in Article 10.2;
"Act"	means the Companies Act 2006, including any statutory modification or re-enactment of that act for the time being in force;
"acting in concert"	has the meaning given to it by the City Code on Takeovers and Mergers as in force and construed on the date of adoption of these Articles;
"Adoption Date"	means the date of adoption of these Articles;
"Aggregate Distributable Consideration"	means as defined in Article 3.2.3(b)(i);
"Articles"	means these agreed form articles of association of the Company;
"Auditors"	means the auditors for the time being of the Company;
"Available Profits"	means the profits available for distribution within the meaning of Part 23 the Act;
"B Ordinary Shares"	means the B ordinary shares of £1.00 each in the issued share capital of the Company;
"B Shareholder"	means the person(s) from time to time registered as the holder(s) of B Ordinary Shares;
"Bad Leaver"	means a Leaver who is not a Good Leaver;
"Board"	means the board of Directors from time to time of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;
"Budget"	has the meaning given to it in the Shareholders' Agreement;
"Business"	means the operation, promotion and management of exhibitions, events, conferences, workshops or any other related products or services or any other

	trade or business agreed in writing between the Members and the Company;
"Business Day"	means a day (other than a Saturday, Sunday or UK public holiday) when banks in the City of London are open for business;
"Chairman"	means the chairman of the Board from time to time who is a CSH Director (as defined in Article 19.1);
"Change of Control"	means the acquisition whether by purchase, transfer, renunciation or otherwise (but excluding a transfer of Shares made in accordance with Article 6) by a Third Party Purchaser of any interest in any Shares or shares in CloserStill Group Limited if, upon completion of that acquisition, the Third Party Purchaser would hold, directly or indirectly more than 50% of the voting rights attached to the Shares or the shares in CloserStill Group Limited then in issue;
"CloserStill Group Limited"	means CloserStill Group Limited, a company incorporated in England and Wales bearing registration number 09465374 or any entity which has acquired CloserStill Group Limited as part of a solvent reorganisation of the Group in preparation for a Sale and which has the same shareholders having the same substantial shareholding as they had in CloserStill Group Limited prior to the reorganisation;
"CloserStill Sale Group"	has the meaning given to it in Article 11.1;
"Company"	means CloserStill E-Commerce Limited;
"connected with"	has the meaning ascribed to it in sections 1122 and 1123 of the Corporation Tax Act 2010 save that there shall be deemed to be control for that purpose whenever section 450, 451 or 1124 of that act would so require;
"CT APA"	means the asset purchase agreement of even date pursuant to which the Company has purchased the CT Business;
"CT Business"	means the events known as at the Adoption Date as "Technology for Marketing" and "eCommerce Expo" together with the business of the provision of marketing services offerings under the "Top 50 Companies for Customer Services" brand and the editorial sites "TFM Insights" and "ECE Insights";

"CT Consideration"	means the total consideration paid by the Company for the CT Business pursuant to the CT APA;
"CT Consideration plus Costs"	means the CT Consideration plus two thirds of the gross amount of all professional fees incurred by the Company relating to the purchase of the CT Business;
"Deemed Transfer Notice"	means as defined in Article 10.2;
"Direct Overheads and Costs"	all costs which are directly related to running the exhibition, event or conference in question including (but not limited to) direct labour and direct expenses and all overheads directly attributable to such exhibition, event or conference as contained in the Group Budget (as defined in Article 3.2.3 (a));
"Director"	means a Director of the Company for the time being;
"Disenfranchised Period"	means the period from the date that a Deemed Transfer Notice is given in respect of any Shares or, if earlier, the date that a relevant Member becomes a Leaver, to the date of entry in the register of Members of another person as the holder of those Shares;
"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 or any Group Company to which such assets or undertaking have previously been transferred which is not by way of a Sale;
"EBITA"	means the earnings before interest, tax and amortisation;
"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 that particular matter);
"Equity Shares"	means, the Ordinary Shares, the A Ordinary Shares and the B Ordinary Shares and "Equity Share" means any one share of any class of share;

"equity share capital"	has the meaning given to it in section 548 of the Act;
"Exclusivity Date"	the date on which exclusivity is granted by either CloserStill Group Limited or Holdings (as the case may be) to a Third Party Purchaser (or if exclusivity is not granted the date of the offer from a Third Party Purchaser);
"Exit"	means a Disposal or a Listing;
"Good Leaver"	means a Leaver by reason of or as a result of: <ul style="list-style-type: none"> (i) permanent ill health or permanent disability of the Leaver concerned or permanent ill health or permanent disability of a member of such Leaver's immediate family; or (ii) death; or (iii) the Company or the Company's business or part of its business ceasing to be a member of or owned by the Group and as a consequence he is no longer a Director, employee of or consultant with any Group Company; or (iv) resignation of the Shareholder as a Director, employee or consultant (which includes for the avoidance of doubt in the case of a consultant a situation where it is a company connected with the Shareholder that is providing the consultancy services and which terminates the engagement) of a Group Company at any time acting with the consent of Holdings; or (v) the Board, with the consent of Holdings, has deemed a Bad Leaver a Good Leaver; or (vi) having his service agreement or consultancy agreement (whether entered into individually or through a connected company which provides his services) with the Company or Group Company terminated by the Company or Group Company without cause;
"Gross Contribution"	the gross amount of sales generated in respect of

	the exhibition, event or conference in question prior to deducting Direct Overheads and Costs;
"Group"	means CloserStill Group Limited, each holding company for the time being of CloserStill Group Limited (however excluding any Investor) and all the subsidiaries or subsidiary undertakings for the time being of any one of them;
"Group Board"	means the board of directors from time to time of CloserStill Group Limited or the directors present at a duly convened meeting of the directors at which a quorum is present;
"Group Company"	means any member of the Group for the time being;
"holding company" and "subsidiary"	have the meanings given to them in section 1159 of the Act and for the purposes of these Articles a company shall also be a "subsidiary" for the purposes of these Articles if it falls within the definition of "subsidiary undertaking" in section 1162 of the Act;
"Holdings"	means CloserStill Acquisitions Limited, a company incorporated in England and Wales and bearing registration number 09465855;
"Holdings ADC Proportion"	means amount equal to the sum of the following formula: $A - B$ where A = Aggregate Distributable Consideration attributable to the Company pursuant to Article 3.2.3(b) and (c); and B = all of the Member ADC Proportions;
"Investor"	means each of Inflexion Curtis Limited Partnership, Northern Venture Trust PLC Northern 2 VCT PLC, Northern 3 VCT PLC and NVM Nominees Limited;
"Issue Price"	means, for each Ordinary Share £1.00 per Ordinary Share, for each A Ordinary Share £1.00 per A Ordinary Share and for each B Ordinary Share £1.00 per B Ordinary Share being, in each case, the amount paid up or accredited as paid up thereon on issue;

"Leaver"	<p>means a Shareholder who is at any time:</p> <ul style="list-style-type: none"> (i) a director of a Group Company; or (ii) an employee of a Group Company; or (iii) engaged as a consultant by a Group Company (either personally or through a company connected with that individual which provides his services), and
	<p>that Shareholder:</p> <ul style="list-style-type: none"> (i) ceases to be an employee, hold such office, or be engaged as a consultant (either individually or through a connected company which provides his services) of the Group Company for any reason; or (ii) if the Group Company for which he is director, employee or consultant (either individually or through a connected company which provides his services) shall for any reason cease to be a Group Company, and
	<p>the Shareholder does not remain or thereupon immediately become a director, employee or consultant of another company which is still a Group Company;</p>
"Listing"	<p>means the admission to trading or quotation of or permission to deal in any of the issued equity share capital of the Company on the Official List of London Stock Exchange plc or the Alternative Investment Market or any Recognised Investment Exchange;</p>
"Material Agreement"	<p>means each of (1) the Service Agreement; (2) the Shareholders' Agreement; (3) the Articles, and (4) the agreed annual Budget;</p>
"Member"	<p>means any registered holder of a Share for the time being;</p>
Member ADC Proportion	<p>shall be the figure calculated in accordance with article 3.2.2;</p>
"Minority Shareholders"	<p>means each A Shareholder and B Shareholder and Minority Shareholder shall be construed accordingly;</p>
"Minority Shares"	<p>means the A Ordinary Shares and/or B Ordinary</p>

	Shares and Minority Share shall be construed accordingly;
“Model Articles”	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) (including any amendments thereto) as in force on the date on which these articles become part of the constitution of the Company;
“Offer Notice”	means a notice referred to in Article 9.9;
“Official Requirement”	means any rule of law, enactment, ordinance, pact, decree, treaty, code, directive, order, notice or official published plan or policy with legal or actual force in any geographical area and/or over any class of persons;
“Ordinary Shares”	means the Ordinary Shares of £1.00 each in the issued share capital of the Company;
“Recognised Investment Exchange”	means as defined by section 285 of the Financial Services and Markets Act 2000 but which shall in any event include NASDAQ and NASDAQ Europe;
“Reference Date”	means the last day of running an exhibition;
“Revenue”	means in relation to the shows carried on by the Company in the calendar year immediately prior to the Exclusivity Date (unless such period produces clear anomalies in which case the Group Board may in their absolute discretion acting reasonably substitute what they believe to be the most appropriate time period prior to a Sale), the cash howsoever received (whether from sponsors, exhibitors or conference revenue) in cleared funds in respect of the aggregate turnover arising in respect of such shows less any rebates, cancelled events, commissions, contras (whether or not invoiced), barter, bad debts, non-arms length transactions, value added tax, other taxes directly related to turnover or similar deductions;
“Sale”	means the making of one or more agreements (whether conditional or not) for the disposal, transfer, purchase, subscription or renunciation of any part of the share capital of CloserStill Group Limited or the Company giving rise to a Change

	<p>of Control and for the purposes of this definition "disposal" shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement. For the purposes of this definition, Sale shall include the transfer of Shares to Holdings in connection with the sale of the CloserStill Sale Group or the Sale Group;</p>
"Sale Group"	means a sale of a number of the subsidiaries within the Group which includes for the avoidance of doubt the Company;
"Service Agreement"	has the meaning given to it in the Shareholders' Agreement;
"Shares"	means, save where the context clearly dictates otherwise, the Ordinary Shares and the Minority Shares and "Share" means any one share of any class of share;
"Shareholders' Agreement"	means the agreement of even date entered into by (1) the Company, (2) Graeme Howe, (3) Justin Opie and (4) Holdings;
"Third Party Purchaser"	means any person together with persons acting in concert or connected with him excluding, in each case, any person who was an original party to the Shareholders' Agreement or is a permitted transferee of a Member under Articles 8.1 to 8.4 inclusive and where the relevant acquisition is effected by the renunciation of a renounceable letter of allotment, the relevant renouncee. For the purposes of this definition, Holdings shall be treated as a Third Party Purchaser in the case of a sale of the CloserStill Sale Group or the Sale Group where the Third Party Purchaser directs that the Shares shall be transferred to Holdings in order to facilitate the acquisition of the CloserStill Sale Group or the Sale Group in the most effective manner;
"Turnover"	all cash howsoever received in respect of the exhibition, event or conference in question net of all discounts and sales taxes; and
"Valuers"	means subject to the consent of the Vendor, the

Auditors unless the Auditors give notice to the Company that they decline an instruction to report on the Market Value (as defined in Article 9.4.1) in which case the Valuers shall be a firm of chartered accountants agreed between the Vendor (as defined in Article 9.1) and Holdings or, in default of agreement within 10 Business Days after the first name being proposed by one of them, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or Holdings, as the case may be.

- 1.2 In these Articles unless the context otherwise requires:
- 1.2.1 references to any Official Requirement shall be deemed to be a reference to such Official Requirement as amended, modified or re-enacted (whether before or after the Adoption Date) and any reference to any provision of any Official Requirement shall include a reference to any provision of which it is an amendment, modification or re-enactment and any provision in a repealed Official Requirement;
 - 1.2.2 terms used or defined in the Act or in the Shareholders' Agreement shall, unless otherwise expressly provided, have the same meaning in these Articles;
 - 1.2.3 the headings in these Articles shall not affect the construction or interpretation of these Articles;
 - 1.2.4 references to an Article is a reference to an Article in these Articles and references to a model article is to the articles of the Model Articles;
 - 1.2.5 words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships and words importing the singular shall include the plural and vice versa; and
 - 1.2.6 the words and phrases "**other**", "**including**" and "**in particular**" shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible.
- 1.3 The Model Articles (subject to any modifications set out in these Articles) shall apply to the Company and shall be deemed to form part of these Articles which, together, constitute the Articles of Association of the Company.
- 1.4 Model articles 7, 8, 9 (1) and (3), 11 (2) and (3), 12, 13, 14 (1) to (4) (inclusive), 16, 22, 26 (5), 38, 39, 42, 44, 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 1.5 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

- 1.6 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".
- 1.7 Model article 29 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)," after the words "the transmittee's name".
- 1.8 The Contracts (Rights of Third Parties) Act 1999 shall not apply to any rights under these Articles.

2 Issued Share Capital

- 2.1 The issued share capital of the Company at the Adoption Date is £100 divided into 70 Ordinary Shares, 15 A Ordinary Shares and 15 B Ordinary Shares.

3 Rights attached to the Shares

Save as specified to the contrary in these Articles, the Equity Shares shall rank *pari passu* in all respects.

3.1 Dividends

The Company shall declare dividends in accordance with the provisions of section 830 of the Act and in accordance with the provisions of Article 15.2.8 of these Articles.

3.2 Capital and Exit

- 3.2.1 On a return of assets on liquidation, capital reduction, Exit or otherwise (other than a purchase of Shares in accordance with these Articles), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:

- (a) first, in paying to the holders of the Equity Shares in respect of each Equity Share held the Issue Price of that Equity Share, together with a sum equal to any arrears and accruals of dividend in respect of that Equity Share and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Equity Shares pro rata to the aggregate amounts due under this Article 3.2.1 (a) to each such Equity Share held; and
- (b) thereafter, in distributing the balance among the holders of the Equity Shares pro rata to the number of Equity Shares held, as if they all constituted shares of the same class.

- 3.2.2 On a return of capital on a Sale (which shall include for the avoidance of doubt the transfer of any Shares in preparation for the sale of the CloserStill Sale Group or the Sale Group), the Aggregate Distributable Consideration (as

defined in Article 3.2.3 (b)(i)) shall be allocated amongst the Members as follows:

- (a) Holdings shall be entitled to the Holdings ADC Proportion of the Aggregate Distributable Consideration attributable to the Company; and
- (b) each Member other than Holdings shall be entitled to his Member ADC Proportion of the Aggregate Distributable Consideration attributable to the Company calculated as follows;

The Member ADC Proportion shall be calculated by taking the Aggregate Distributable Consideration and adjusting it as follows:-

- i) first, by calculating the Allocated Debt which shall be;-

Aggregate Distributable Consideration – "CT Consideration"

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provided that the Allocated Debt cannot be less than zero or more than the "CT Consideration Plus Costs"

- ii) second – by deducting the Allocated Debt from the Aggregate Distributable Consideration; and.
- iii) third – by multiplying the resultant figure in (ii) by the % shareholding of the relevant Member as at the Exclusivity Date.

The Member ADC Proportion shall therefore be:-

Aggregate Distributable Consideration less the Allocated Debt multiplied by the % shareholding of the relevant Member at the Exclusivity Date.

By way of example the following table illustrates the above calculation of aggregate Member ADC Proportion which assumes:-

- CT Consideration is £3,130,000;
- CT Consideration plus Costs is £3,300,000; and
- such Members hold in aggregate thirty per cent (30%) of the Shares¹:

Aggregate Distributable Consideration attributable to the Company pursuant to Article 3.2.3(b) and (c) (which shall include for the avoidance of any doubt any distributable net assets, including cash)	Allocated Debt	Member ADC Proportion (ADC less Allocated Debt x 30%)
£1m	-	£ 300,000
£3,130,000	-	£ 939,000
£4m	£ 435,000	£1,069,500
£5m	£ 935,000	£1,219,500
£8m	£2,435,000	£1,669,500
£9,000,000	£2,935,000	£1,819,500
£9,730,000	£3,300,000	£1,929,000
£10m	£3,300,000	£2,010,000

3.2.3 Where there is a sale of either the CloserStill Sale Group or the Sale Group, the amount of the sale proceeds available for distribution to each Member shall be determined in accordance with this Article 3.2.3, such amount to be distributed in the order of priority set out in Article 3.2.2. The determination of the amount of the distributable sale proceeds shall be based on the figures available to the Group Board as at the Exclusivity Date and will be updated, if required at the absolute discretion of the Group Board, at completion of the CloserStill Sale Group or the Sale Group for any adjustments to those figures:

(a) Determination of EBITA Figure

(i) The Group Board shall obtain the EBITA figure of each subsidiary within the CloserStill Sale Group or the Sale Group (as the case may be) ("**Sale Subsidiary**") for the most appropriate twelve month financial period ("**Current EBITA Figure**"). The EBITA figure shall be calculated as follows:

- a. If a Sale Subsidiary runs only one exhibition every second calendar year and if the Reference Date for the exhibition held before the Exclusivity Date is more than 183 days prior that date and the next exhibition is due to be held more than 183 days after the Exclusivity Date, then the EBITA figure shall be calculated by taking the Gross Contribution for the Sale Subsidiary for the twelve month period ending on the Reference Date for the exhibition held before the Exclusivity Date minus any Direct Overheads and Costs relating to that Sale Subsidiary for such twelve month period. If however the next exhibition is due to be held within 183 days after the Exclusivity Date, the timing provisions in Article 3.2.3 (a)

- (i) c shall apply in determining the EBITA figure for the Sale Subsidiary. In the case of a biennial exhibition, the final EBITA figure shall be deemed to be 50% of the EBITA figure calculated under this Article.
- b. If a Sale Subsidiary runs only one exhibition per calendar year and if the Reference Date for the exhibition held before the Exclusivity Date is less than 183 days prior to that date, then the EBITA figure shall be calculated by taking the Gross Contribution for that Sale Subsidiary for the twelve month period ending on the Reference Date minus any Direct Overheads and Costs relating to that Sale Subsidiary for such twelve month period.
- c. If a Sale Subsidiary runs only one exhibition per calendar year and if the Reference Date for the exhibition held before the Exclusivity Date was more than 183 days prior to that date, then the EBITA figure shall be calculated as follows:
- (I) the period between the Reference Date for the exhibition held before the Exclusivity Date ("**Pre Exclusivity Exhibition**") and the Exclusivity Date shall be calculated to the nearest full month ("**X months**").
- (II) the period between the Exclusivity Date and the Reference Date for the exhibition being held after the Exclusivity Date ("**Post Exclusivity Exhibition**") shall be taken to be "12 months minus X months" ("**Y months**"). For the avoidance of doubt, because exhibitions can move their event dates, the process described in this sub-Article shall be applied whatever the date of the Post Exclusivity Exhibition so that the total of X months + Y months shall always equal 12 months.
- (III) the EBITA figure shall be calculated on the basis of X months multiplied by the budgeted Gross Contribution for the Post Exclusivity Exhibition (as contained in the latest version of the budget for the Group which is normally approved by the Group Board in the December immediately preceding the exhibition and which may be subsequently updated to reflect current trading ("**Group Budget**") plus Y months multiplied by the Gross Contribution for the Pre Exclusivity Exhibition, the total amount being divided by 12 and reduced by any Direct Overheads and Costs or budgeted Direct Overheads and Costs (as contained in the Group Budget) specifically relating to the exhibition calculated on the same basis as the Gross Contribution

for the Pre Exclusivity Exhibition and the Post Exclusivity Exhibition.

- d. If a Sale Subsidiary runs more than one exhibition in the calendar year of the Exclusivity Date, the Turnover for each exhibition shall be calculated and the exhibition with the largest Turnover in the calendar year shall be the **"Reference Exhibition"**. The EBITA figure of the Sale Subsidiary shall be calculated by taking the Gross Contribution minus any Direct Overheads and Costs relating to that Sale Subsidiary for the twelve month period determined in accordance with Articles 3.2.3 (a) (i) (b) and (c) with the last day of running the Reference Exhibition being treated as the Reference Date for the purposes of those particular Articles.
- (ii) The principles and treatment to be used in the determination of the Current EBITA Figure shall be the same accounting principles, policies, treatments and categorisations as were used in the preparation of the latest audited accounts for the Sale Subsidiary.
- (iii) In the event that there are no revenues attributable to a Sale Subsidiary or when there are clear anomalies, the Group Board shall in their absolute discretion on a reasonable basis determine the Current EBITA Figure attributable to that Sale Subsidiary.
- (iv) In light of the fact that a Sale Subsidiary can move the date of its exhibitions by more than a six month period or where the preceding provisions of Article 3.2.3 (a) produce clear anomalies in determining the most appropriate twelve month financial period from which the EBITA figure for a Sale Subsidiary shall be deduced, the Group Board may in their absolute discretion on a reasonable basis substitute what they believe to be the most appropriate twelve month financial period.
- (v) For the purposes of determining the Current EBITA Figure, the Group Board may, in its absolute discretion, in addition to the Direct Overheads and Costs deduct from the Gross Contribution for a Sale Subsidiary any other liabilities (including but not limited to debt) directly attributable to that Sale Subsidiary.
- (vi) The Group Board shall, upon the same basis and principles set forth in this Article 3.2.3 (a) and by adding together each of the Current EBITA Figures generated and reported by each Sale Subsidiary (including for the avoidance of doubt those Sale Subsidiaries which are wholly owned by the Group), procure the preparation of the current group EBITA figure ("**Current Group EBITA Figure**").

(b) Determination of Aggregate Distributable Consideration

- (i) The Group Board shall determine the amount of the consideration offered by the Third Party Purchaser for the CloserStill Sale Group or the Sale Group ("**Third Party Consideration**") which is available for distribution amongst each Sale Subsidiary ("**Aggregate Distributable Consideration**"). The Aggregate Distributable Consideration shall, subject to Article 3.2.3(c)(iii) be calculated as follows:
 - a. The Group Board shall take the amount of the Third Party Consideration and they shall deduct the following from such amount ("**Deductions**") namely:
 - (I) All professional fees, forms of insurance, indemnity and other associated relevant transactional costs;
 - (II) Any liabilities including debt of any form of the Group or any member of the Group (which shall for the avoidance include but is not limited to any loan notes issued by any member of the Group or amounts owing to any holders of preference shares within the Group) not included in the calculation of the Current EBITA Figure for each Sale Subsidiary ("**Group Liability Figure**"); and
 - (III) Any distributable net assets (including cash) within a Sale Subsidiary (which shall be dealt with in accordance with Article 3.2.3 (c) (iii)).
- (ii) In the determination of the Group Liability Figure, the Group Board shall have absolute discretion as to the quantification and classification of each liability, whether contingent or not and whether such liability would be required to be disclosed with the financial statements and accounts of any Sale Subsidiary.
- (iii) The date of determination of the amount of the Deductions shall be at completion of the CloserStill Sale Group or the Sale Group.
- (iv) The Aggregate Distributable Consideration will be updated, at the absolute discretion of the Group Board, at completion of the CloserStill Sale Group or the Sale Group for any adjustments made to the Third Party Consideration and / or Deductions.

(c) Apportionment of Aggregate Distributable Consideration

- (i) The Current EBITA Figure attributable to each Sale Subsidiary as a percentage of the Current Group EBITA Figure shall be the basis upon which the Aggregate Distributable Consideration shall be apportioned amongst each Sale Subsidiary.
- (ii) The Aggregate Distributable Consideration for each Sale Subsidiary shall be apportioned amongst its Members relative to

their percentage shareholding in that relevant Sale Subsidiary or (in the case of the Company) in accordance with Article 3.2.2.

- (iii) If there are any distributable net assets (including cash) within a Sale Subsidiary, they will be added to the Aggregate Distributable Consideration attributable to that Sale Subsidiary prior to the apportionment to each Member in accordance with Article 3.2.2. For the avoidance of doubt, the amount of the Aggregate Distributable Consideration for each Sale Subsidiary when added to the distributable net assets (if any) within each Sale Subsidiary for all of the Sale Subsidiaries combined shall never exceed the amount of the Third Party Consideration.

3.3 Voting

3.3.1 Subject to Articles 3.3.2, 3.3.3 and 10.6:

- (a) the Equity Shares shall entitle their holders to receive notice of, to attend and speak and to vote at any general meeting of the Company and such holder who (being an individual) is present in person or by proxy or (being a body corporate) is present by its duly authorised representative; and
- (b) the Equity Shares shall entitle their holders to receive, or to exercise voting rights in respect of, any written resolution of the Company.

3.3.2 If:

- (a) the provider of any commercial arrangements, banking facilities or any other finance facilities (including but not limited to any asset finance facility) provided to any Group Company (which shall for the avoidance of doubt not be limited to the grant of cross-guarantees or arrangements of similar effect) shall at any time have become entitled to (but which shall not be limited to) invoke the provisions of any such arrangements, facilities or agreements such that the entity which is granted the benefit of such arrangements, agreements or facilities will no longer have exclusive governance over its commercial activities and/or declare the whole or any part of such facilities due and payable in advance of the stated maturity date as a result of any event of default in respect of or arising pursuant to any such facilities (however such event of default is described and whether or not such provider shall actually have made any such declaration as a consequence) and such provider shall not have formally and unconditionally waived such entitlement in writing to the satisfaction of Holdings acting reasonably; or
- (b) there shall at any time have occurred any material breach or non observance of any document pertaining to the financial planning of the Company (as determined at the absolute discretion of Holdings) by the Company or any of the Board or any Member or any of the provisions of any document (including but not limited to) evidencing the grant of

any encumbrance by the Company (which shall include but which shall not be limited to instruments of debenture, bonds of floating and or fixed charge, cross guarantees or instruments of similar effect howsoever constituted) whilst such breach or non-observance is continuing,

then Holdings shall notify the Board in writing that either:

- (i) it does not consider such breach together with its consequences to be capable of being rectified; or
 - (ii) it does consider such breach together with its consequences to be capable of being rectified and shall in such notice specify what is to be done to achieve such rectification and all aspects of such rectification shall not have been carried out to the satisfaction, confirmed in writing, of Holdings (acting reasonably) within 10 Business Days of such notice being given; or
 - (iii) any proceedings, distress, execution, sequestration or other process is levied or enforced upon or sued out against any material part of the property or assets or revenues of the Company and such proceedings, distress, execution, sequestration or other process is not removed discharged or paid out within 5 Business Days of being levied; or
- (c) there shall at any time have occurred any material breach of a Material Agreement on a persistent basis by a Minority Shareholder where such breach has not ceased within a reasonable time period being no more than 7 Business Days of receiving formal notification of such breach; or
- (d) the Company shall create or purport to create or permit to subsist any security, mortgage, charge or lien (other than a lien arising by operation of law) ranking or purporting to rank in priority to the rights of the Investors other than as agreed in writing by Holdings,

then Holdings may serve notice of the same upon the Company ("**Step-In Notice**") and may, in such notice, specify what steps the Company must take to rectify such breach.

3.3.3 Following service of a Step-In Notice (and notwithstanding any contrary provision in these Articles):

- (a) Holdings may require the other Members to consent to the holding of a general meeting of the Members on short notice, provided that the matters to be discussed at the meeting are legally capable of being dealt with on short notice; and
- (b) Holdings shall be entitled to attend and speak at any general meeting of the Company and at any meeting of the Members of any class of Shares and in respect of any Shares it shall be entitled to exercise as a class on a poll, 95% of the total number of votes otherwise exercisable by the holders of all of the Shares then in issue on any resolution at

such general meeting of the Company or meeting of the Members of any class of Shares.

Such enhanced rights shall continue until the earlier of the day (1) Holdings serves notice upon the Company that the Step-In Notice is revoked; and (2) the relevant circumstances in Article 3.3.2(a) to 3.3.2(d) have been remedied to the satisfaction, confirmed in writing, of Holdings and appropriate controls or procedures designed to prevent a re-occurrence of such circumstances reasonably satisfactory to Holdings have been established and implemented by the Company, unless and until the enhanced rights are activated by a further Step-In Notice.

4 Variation of Class Rights

- 4.1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up:
 - 4.1.1 in the case of the Minority Shares, acting with the prior written consent of Holdings and save during the Disenfranchised Period, of the holders of 75% or more of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise; and
 - 4.1.2 in the case of the Ordinary Shares, acting with the prior written consent of Holdings, but not otherwise.
- 4.2 To every such separate meeting, all the provisions of these Articles relating to general meetings of the Company shall apply with such amendments as are necessary to give efficiency.

5 Issue of Shares

- 5.1 Subject to the Act and to Article 5.3, all unissued shares in the capital of the Company shall be under the control of the Board which may offer, allot, grant rights or warrants to subscribe for, grant options over, or otherwise deal with or dispose of unissued shares in the capital of the Company to such persons and generally on such terms in such manner and at such times as it may determine.
- 5.2 The applicable provisions of sections 561 to 566 (inclusive) of the Act shall not apply to the Company.
- 5.3 All new shares (other than any shares issued pursuant to the valid exercise of an option to acquire shares granted with all requisite consents under Article 15) shall first be offered for subscription to the holders of the Equity Shares in the proportion that the aggregate nominal value of such Equity Shares for the time being held respectively by each such Member bears to the aggregate nominal value of such Equity Shares in issue and such offer shall be made at the same price per share and by notice specifying

the number of shares to which the Member is entitled and limiting a time (being not less than 10 Business Days nor more than 15 Business Days) within which the offer, if not accepted and completed, will be deemed to be declined. After the expiration of such time or on the receipt of an intimation from the Member to whom such notice is given that he declines to accept the shares so offered the Board shall issue the same on the same terms (including the same price as offered to the Members) to such persons and in such manner as it shall (acting with the prior written consent of Holdings determine. Fractional entitlements arising under this Article 5.3 shall, in the absence of direction by the Company, be determined by the Board (subject to contrary direction by Holdings in respect of fractional entitlements). The provisions of this Article 5.3 may be disapplied by the due passing of a special resolution by the Members provided that one Minority Shareholder of each class of shares has voted in favour of the same. Such vote of a Minority Shareholder is not however required during a Disenfranchised Period.

6 Lien, Calls on Shares and Forfeiture

6.1 The Company has a lien (the Company's Lien) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

6.2 The provisions of articles 52(2) and (3), 55, 57(2), (3) and (4), 59, 60, 61 and 62 for public companies set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company.

6.3 Enforcement of the Company's Lien

6.3.1 Subject to the provisions of this Article 6.3, if:

- (a) a Lien Enforcement Notice has been given in respect of a Share; and
 - (b) the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the Directors decide.

6.3.2 A Lien Enforcement Notice:

- (a) may only be given in respect of a Share which is subject to the *Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;*
- (b) must specify the Share concerned;
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and

- (e) must state the Company's intention to sell the Share if the notice is not complied with.

6.3.3 Where Shares are sold under this Article 6.3:

- (a) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

6.3.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice.

6.3.5 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's Lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

6.4 Call notices

6.4.1 Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice (a "**Call Notice**") to a Member requiring the Member to pay the Company a specified sum of money (a "**Call**") which is payable to the Company at the date when the Directors decide to send the Call Notice.

6.4.2 A Call Notice:

- (a) may not require a Member to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
- (b) must state when and how any Call to which it relates is to be paid; and
- (c) may permit or require the Call to be made in instalments.

- 6.4.3 A Member must comply with the requirements of a Call Notice, but no Member is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- 6.4.4 Before the Company has received any Call due under a Call Notice the Directors may:
- (a) revoke it wholly or in part; or
 - (b) specify a later time for payment than is specified in the notice,
- by a further notice in writing to the Member in respect of whose Shares the Call is made.

6.5 Forfeiture

- 6.5.1 If a person is liable to pay a Call and fails to do so by the Call payment date:
- (a) the Directors may issue a notice of intended forfeiture to that person; and
 - (b) until the Call is paid, that person must pay the Company interest on the Call from the Call payment date at the relevant rate.
- 6.5.2 A notice of intended forfeiture:
- (a) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
 - (b) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
 - (c) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
 - (d) must state how the payment is to be made; and
 - (e) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.
- 6.5.3 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

7 **Transfer of Shares (General)**

- 7.1 The Board shall not register the transfer of any Share or any interest in such Share unless the transfer:
- 7.1.1 is permitted by Article 8 (Permitted Transfers); or

7.1.2 is made in accordance with Article 9 (Voluntary Transfers), Article 10 (Compulsory Transfers), Article 11 (Come Along), or Article 12 (Tag Along), as the case may be,

and, in any such case, is not prohibited under Article 13 (Prohibited Transfers) or the provisions of the Shareholders' Agreement.

7.2

7.2.1 For the purpose of ensuring that a transfer of shares in the capital of the Company is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice, the Board (acting with the prior written consent of Holdings) may (and shall if required by Holdings) from time to time require any Member or any person named as transferee in any transfer lodged for registration to furnish to the Board and Holdings such information and evidence as the Board and Holdings deem relevant for such purpose.

7.2.2 Failing such information or evidence being furnished to their reasonable satisfaction within a reasonable time after request under Article 7.2.1, the Board (acting with the prior written consent of Holdings) may (and shall if required by Holdings) refuse to register the transfer in question or require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned.

7.2.3 If such information or evidence requested under Article 7.2.1 discloses to the reasonable satisfaction of the Board and Holdings that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board (acting with the prior written consent of Holdings) may (and shall if required by Holdings) by notice in writing to the Member(s) concerned require that a Transfer Notice be given or may deem a Transfer Notice to be given in respect of the shares concerned.

7.3 An obligation to transfer a share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.

7.4 Subject to Article 7.2, Article 13 (Prohibited Transfers) and the provisions of the Shareholders' Agreement, the Company shall be obliged to register any transfer made pursuant to Article 8 (Permitted Transfers), Article 11 (Come Along) or Article 12 (Tag Along).

7.5 Notwithstanding anything to the contrary contained in these articles, where a transfer of any shares in the Company is or is proposed to be:

7.5.1 executed by a Secured Party by way of the exercise of any power of sale or other enforcement power under any relevant security interest;

7.5.2 executed by a receiver or manager or similar officer appointed by or on behalf of any Secured Party under any relevant security interest; or

7.5.3 made to any Secured Party pursuant to any relevant security interest, (each being a **Secured Party Transfer**),

7.5.4 the directors (or director if there is only one) of the Company may not decline to register (or suspend the registration of) such a Secured Party Transfer;

7.5.5 a holder of shares in the Company shall not be required to comply with any provision of the Articles which restricts the transfer of shares or which requires any such shares to be first offered to all or any shareholders for the time being of the Company before any such Secured Party Transfer may take place; and

7.5.6 a holder of shares in the Company shall not have any right under the Articles or otherwise to require any shares that are the subject of a Secured Party Transfer to be transferred to them,

and, for the avoidance of doubt, regulations 4 and 26(5) of the private company model articles shall not apply insofar as it would otherwise prevent or restrict any Secured Party Transfer (or the recognition of any Secured Party Transfer).

A certificate by any officer of a Secured Party that the shares were so charged, mortgaged or pledged and the transfer was or will be so executed shall be conclusive evidence of such facts.

7.6 Notwithstanding anything contained in these Articles, the Company shall have no present or future lien on any share, dividend or moneys payable in respect of shares which have been mortgaged, charged or pledged by way of security to a Secured Party and any lien conferred pursuant to these Articles shall not apply in respect of any such share, dividend or moneys payable.

7.7 If there is any inconsistency between any provision of these Articles 7.5, 7.6 and 7.7 and any provision of any other article, the provisions of these Articles 7.5, 7.6 and 7.7 shall apply.

"Secured Party" means, in respect of any shares, any bank, institution or other entity or person to which such shares have been mortgaged, charged or pledged (or in favour of which any other security interest in such shares has been created) and any nominee, agent or trustee for any such entity or person."

8 Permitted Transfers

8.1 For the purposes of Articles 8 to 10 (inclusive):

8.1.1 **"Family Member"** means, in relation to a Member, any of his spouse (or widow or widower), civil partner (for the purposes of the Civil Partnership Act 2004), children and grandchildren (including step and adopted children and grandchildren);

8.1.2 **"a member of the same group"** means, in relation to a body corporate, any other body corporate which is for the time being a holding company of that body corporate or a subsidiary or subsidiary undertaking of that body

corporate or a subsidiary or subsidiary undertaking of any holding company of which that body corporate is also a subsidiary; and

- 8.1.3 “**permitted transfer**” means any transfer of shares permitted under this Article 8.

8.2 Transfers to Family Members

- 8.2.1 Subject to Article 8.2.2 and Article 13, any Member who is an individual may at any time during his lifetime transfer up to a maximum (when aggregated with all Shares previously transferred to a Family Member in accordance with these Articles) of 30% (or such higher percentages as Holdings may agree in writing) of the number of shares registered in his name in the Register of Members of the Company at the date of execution of transfer to a person or persons shown to the reasonable satisfaction of the Board (and Holdings) to be a Family Member.

- 8.2.2 If any person has acquired shares as a Family Member by way of one or more permitted transfers and that person ceases to be a Family Member, that person shall forthwith transfer all the shares then held by that person back to the Member from whom he or she acquired those shares, for such consideration as they agree, within 20 Business Days of the cessation or, in default of agreement, at the Market Value (calculated in accordance with Articles 9.4 and 9.5) and if that person shall not do so within 20 Business Days of the date upon which the shares ceased to be held by a Family Member, Holdings may require such person to serve a Transfer Notice in respect of such shares or may deem a Transfer Notice to have been given in respect of such Shares.

8.3 Transfers within groups of companies

- 8.3.1 Any Member which is a body corporate may at any time transfer any shares held by it to a Group Company.
- 8.3.2 Where shares have been transferred under Article 8.3.1 (whether directly or by a series of such transfers) from a Member (the “**Transferor**”) to a Group Company (the “**Transferee**”) and subsequent to such transfer the Transferee shall cease to be a Group Company, then the Transferee shall forthwith transfer all the shares held by it to the Transferor, for such consideration as they agree and if they do not do so within 20 Business Days of the date upon which the Transferee ceased to be a Group Company, Holdings may require the Transferee to serve a Transfer Notice in respect of such shares or may deem a Transfer Notice to have been given.

8.4 Transfers with consent

A Member may transfer shares to any person at any time with the prior written consent of Holdings.

8.5 Transfers of entire interest

A transfer of any share pursuant to this Article 8 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share, free from any lien, charge or other encumbrance.

9 Voluntary Transfers

9.1 Except as permitted under Article 8, any Member who wishes to transfer any Share (a “**Vendor**”) shall, before transferring or agreeing to transfer such Share or any interest in it, serve notice in writing (a “**Transfer Notice**”) on the Company of his wish to make that transfer. Save as permitted by Article 8 and subject always to Articles 10.5, 12 and 13 and the provisions of the Shareholders’ Agreement, a Member who wishes to transfer an interest in a Share (but not the Share itself) may do so only with the prior written consent of Holdings.

9.2 In the Transfer Notice the Vendor shall specify:

- 9.2.1 the number of Shares (“**Sale Shares**”) which he wishes to transfer;
- 9.2.2 the identity of the person (if any) to whom the Vendor wishes to transfer the Sale Shares;
- 9.2.3 the price per share at which the Vendor wishes to transfer the Sale Shares (the “**Proposed Sale Price**”);
- 9.2.4 any other terms relating to the proposed transfer of the Sale Shares; and
- 9.2.5 whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 9 (“**Total Transfer Condition**”).

9.3 Each Transfer Notice shall:

- 9.3.1 relate to one class of Shares only;
- 9.3.2 constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 9; and
- 9.3.3 save as provided in Article 9.8, be irrevocable.

9.4 The Sale Shares shall be offered for purchase in accordance with this Article 9 at a price per Sale Share (the “**Sale Price**”) agreed between the Vendor and the Board (acting with the prior written consent of Holdings) or, in default of agreement by the end of the 15th Business Day after the date of service of the Transfer Notice:

- 9.4.1 if Holdings so elects within the 15 Business Day period after the date of service of the Transfer Notice, the price per Sale Share reported on by the Valuers as to their written opinion of the open market value of each Sale Share (the “**Market Value**”) as at the date of service of the Transfer Notice (in which case for the purposes of these Articles the Sale Price shall be deemed to have been determined on the date of the receipt by the Company of the Valuers’ report); and

- 9.4.2 otherwise shall be the Proposed Sale Price in which case, for the purposes of these Articles, the Sale Price shall be deemed to have been agreed at the end of that 15th Business Day.
- 9.5 If instructed to report on their opinion of Market Value under Article 9.4.1, the Valuers shall:
- 9.5.1 act as experts and not as arbitrators and their written determination shall (save in the case of manifest error) be final and binding on the Members;
 - 9.5.2 proceed on the basis that the open market value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the class of Shares of which the Sale Shares form part (assuming repayment of all sums outstanding under the instrument evidencing an obligation of debt granted by the Company, whether directly or not and any bank facilities (if any/for the time being)), divided by the number of issued Shares then comprised in that class;
 - 9.5.3 adjust the Market Value figure thereafter to take account of any actual arrears or accruals of dividend if the Sale Shares are to be sold cum dividend;
 - 9.5.4 in the case of a Vendor being a Minority Shareholder, adjust the Market Value as if the Sale Shares held by such Vendor represent a minority shareholding in the Company (issued in accordance with the terms of these Articles) at the time of service of the Transfer Notice; and
 - 9.5.5 in their determination of the Market Value attributable to the Sale Shares the Valuers shall determine and take account of the position of the Vendor within the Company as at the time of service of the Transfer Notice, the potential direct financially quantifiable loss to the Company occasioned by the departure of the Vendor and of the short terms plans of the Company to replace the Vendor with a person of commensurate skill, experience and sectorial knowledge (such person not being required to be an employee of the Company nor to be a holder of Shares in the Company).
- 9.6 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to each of the Board, the Members whose shares are not subject to the provisions of this Article (the "**Remaining Members**") and to the Vendor within 20 Business Days of being requested to do so.
- 9.7 The Valuers' fees for reporting on their opinion of the Market Value shall be borne as the Valuers shall specify in their valuation or otherwise (in the absence of any specification by the Valuers) as to one half by the Vendor and as to the other half by the Company, unless the Vendor revokes the Transfer Notice pursuant to Article 9.8 when the Vendor shall pay all the Valuers' fees.
- 9.8 If the Market Value is reported on by the Valuers under Article 9.4 to be less than the Proposed Sale Price, the Vendor may revoke the Transfer Notice by written notice given to the Board within the period of 5 Business Days (the "**Withdrawal Period**")

after the date on which the Valuers serve on the Vendor, the Board or the Remaining Members (whichever is earlier) the Valuers' written opinion of the Market Value.

9.9 Subject to Article 9.8, if the Sale Shares are Minority Shares, the Board shall at least 10 Business Days after and no more than 20 Business Days after the Sale Price has been agreed or determined, give written notice (an "**Offer Notice**") to all Members to whom the Sale Shares are to be offered in accordance with the provisions of Article 9.11.

9.10 An Offer Notice shall:

9.10.1 specify the Sale Price;

9.10.2 contain the other details included in the Transfer Notice; and

9.10.3 invite the relevant offerees to apply in writing, before expiry of the Offer Notice, to purchase the number of Sale Shares specified in their Offer Notice

and shall expire 35 Business Days after its service (the "**Expiry Date**").

9.11 Sale Shares of a particular class specified in column (1) in the table below shall be treated as offered on the same terms:

9.11.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and

9.11.2 to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below;

but no Shares shall be treated as being offered to the Vendor or any other Member who is then bound to give, has given or is deemed to have given a Transfer Notice. For the avoidance of doubt and as expressly provided for in Article 9.17, a Vendor of the Sale Shares shall be prohibited from offering Sale Shares to any third party who shall be deemed to be any person, legal or otherwise, who is not a Member on the Adoption Date.

(1) Class of Sale Shares	(2) First Offer to	(3) Second Offer to
Ordinary Shares	any Group Company	the Company
Minority Shares	Holdings	the Company

Any purchase of the Sale Shares by the Company pursuant to this Article 9.11 shall be undertaken subject always to compliance with the relevant provisions of the Act.

9.12 After the expiry date of the Offer Notice, the Board shall, in the priorities and in respect of each class of persons set out in the columns in the table in Article 9.11, allocate the Sale Shares in accordance with the applications received save that:

- 9.12.1 if there are applications from any class of offerees for more than the number of Sale Shares available for that class of offerees, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Member more Sale Shares than the maximum number applied for by him) to the number of Shares of the class which entitles them to receive such offer then held by them respectively;
 - 9.12.2 if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the applicants of each class in such manner as the Board (acting with the prior written consent of Holdings) shall determine;
 - 9.12.3 any allocation of Sale Shares between the applicants shall be entirely at the discretion of Holdings; and
 - 9.12.4 if the Transfer Notice contained a valid Total Transfer Condition, no allocation of Sale Shares shall be made unless all of the Sale Shares are allocated.
- 9.13 The Board shall, within 5 Business Days of the expiry date of the Offer Notice, give notice in writing (an "**Allocation Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for the Sale Shares and the date the relevant transfers are to take place.
- 9.14 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the Company at the time specified in the Allocation Notice when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relevant share certificates to that Purchaser.
- 9.15 If a Vendor fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 9, Holdings may authorise any member of the Board (who shall be deemed to be irrevocably appointed as the attorney of the Vendor for this purpose) to execute each necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for the Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it and, after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this Article 9.15, the validity of the transfer and proceedings shall not be questioned by any person.
- 9.16 Where no offeree has agreed to purchase the Sale Shares (that is to say all and not some only) pursuant to Article 9 and where a formally executed agreement of sale and

purchase has not been entered by the Expiry Date, the Transfer Notice shall be deemed to have been withdrawn by the Vendor. Upon such deemed withdrawal the Vendor shall be prohibited from the issue of a Transfer Notice in respect of the Sale Shares for a period of twelve months such period to commence from the day following the Expiry Date.

- 9.17 A Vendor who fails to dispose of his Shares comprised within a Transfer Notice within the provisions of these Articles and subject to the terms and conditions of the Shareholders' Agreement shall be prohibited from any attempt to transfer or to deal in the legal or beneficial right or interest inherent in or connected with his ownership of the Sale Shares to a third party. The Board shall, upon presentation to it requesting sanction of such transfer, be bound by these Articles to refuse to register the purchaser of the Sale Shares as the owner of the shares or as a Member of the Company.

10 Compulsory Transfers

Transfer Event

- 10.1 In this Article 10, a "**Transfer Event**" occurs, in relation to any Member:

10.1.1 Insolvency:

(a) Bankruptcy etc. of an individual

if that Member being an individual:

- (i) shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction; or
- (ii) shall be the subject to the jurisdiction of the Mental Health Act 1963 (or of legislation of similar effect)

and in any such case and within the following six calendar months either Holdings shall notify the Company that, or the Board (acting with the prior written consent of Holdings) shall resolve that such event is a Transfer Event in relation to that Member for the purposes of this Article 10.1.1 (a);

(b) Corporate dissolution or insolvency etc.

if that Member being a body corporate:

- (i) shall have a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets;
- (ii) shall have an administrator appointed in relation to it; or
- (iii) shall enter into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
- (iv) shall have any equivalent action in respect of it taken in any jurisdiction outside England and Wales,

and within the following six calendar months either Holdings shall notify the Company that or the Board (acting with the prior written consent of Holdings) shall resolve that, such event is a Transfer Event in relation to that Member for the purposes of this Article 10.1.1 (b);

10.1.2 Ceasing to be a Director, employee or consultant in the Group:

if that Member who is at any time a Director or employee of a Group Company or is engaged by a Group Company as a consultant, either personally or through a company connected with the Member, and the Member becomes a Leaver, unless within the following six months Holdings shall notify the Company that such event is not a Transfer Event, the event shall be treated as a Transfer Event in relation to that Member for the purpose of this Article 10.1.2;

10.1.3 Illness, Accident or Incapacity:

If that Member who is at any time a director or employee of, or a consultant with a Group Company, is prevented by illness, accident or other incapacity from fully carrying out his duties for any period(s) of or aggregating more than 26 weeks in any continuous period of 52 weeks; or

10.1.4 Unauthorised attempted transfer:

if that Member shall attempt to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles and within the following six calendar months either Holdings shall notify the Company that, or the Board (acting with the prior written consent of Holdings) shall resolve that, such event is a Transfer Event in relation to that Member for the purposes of this Article 10.1.4; or

10.1.5 Failure to serve Transfer Notice under specified provisions:

if that Member shall for any reason not give a Transfer Notice in respect of any Shares or transfer any Shares (as the case may be) as required by Articles 7.2, 9.1 or 10.1 and within the following six calendar months either Holdings shall notify the Company that, or the Board (acting with the prior written consent of Holdings) shall resolve that, such event is a Transfer Event in relation to that Member for the purposes of this Article 10.1.5.

Consequences of Transfer Event determination

- 10.2 Upon the making of a notification by Holdings or a resolution being passed by the Board (acting with the prior written consent of Holdings) under Article 10.1 that an event is a Transfer Event, the Member in respect of whom it is a Transfer Event and any other Member who has acquired Shares from him under a permitted transfer pursuant to Article 8 (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately served a Transfer Notice in respect of all Shares then held by such Member(s) (including, for the purposes of this Article 10.2, all and any Shares which are issued or acquired by transfer or otherwise following the date of such notification or resolution, including any Shares acquired pursuant to the

grant of any option, warrant, conversion right or any other right to acquire Shares, to the extent that any of the foregoing rights are exercised on or prior to the time of completion of the sale of the Shares pursuant to this Article 10 ("**Acquisition Shares**") (a "**Deemed Transfer Notice**").

10.3 A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

10.4 For the purpose of Article 10.2, any Shares received by way of rights issue or on a capitalisation and whether received by such Member(s) or by any person to whom Shares may have been transferred (directly or by means of a series of two or more permitted transfers), shall also be treated as included within the Deemed Transfer Notice.

10.5 Notwithstanding any other provision of these Articles, unless Holdings waives the provisions of this Article 10.5, any Member:

10.5.1 holding Shares in respect of which a Deemed Transfer Notice has been given; and

10.5.2 who has become a Bad Leaver,

(each a "**Restricted Member**") shall for the Disenfranchised Period not be entitled to exercise any voting rights:

(a) at general meetings of the Company in respect of those Shares;

(b) at meetings of any class of Members in respect of those Shares; nor

(c) to consent to general meetings of the Company on short notice or class meetings of Members on short notice.

("Disenfranchised Rights").

10.6 If Holdings so resolves, the Chairman shall be entitled to exercise the Disenfranchised Rights as he sees fit for the duration of the Disenfranchised Period and, in such case, each Member to whom Article 10.5 applies shall be deemed to have appointed the Chairman as his proxy for such purpose.

Offer for sale

10.7 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 9 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Vendor the person who is deemed to have given the Transfer Notice, save that:

10.7.1 subject to Article 10.8, the Sale Price shall be a price per Sale Share agreed between the Vendor and Holdings or, in default of agreement within 15 Business Days after the Transfer Notice is deemed under Article 10.2 to have been served, the Market Value;

- 10.7.2 a Deemed Transfer Notice shall be treated as not containing a Total Transfer Condition and shall not be revocable, whether under Article 9.8 or otherwise;
- 10.7.3 the Vendor may retain any Sale Shares for which Purchasers are not found; and
- 10.7.4 Article 10.8 shall for the avoidance of doubt apply.

Special provision on ex director / employee / consultant

- 10.8 The Sale Price for each Share which is the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within Article 10.1.2 shall:
 - 10.8.1 in the case where the Leaver is a Good Leaver, be the greater of its Market Value and Issue Price;
 - 10.8.2 in the case where the Leaver is a Bad Leaver, be the lower of its Issue Price and its Market Value; and
 - 10.8.3 any valuation of the Company's shares for the purposes of these Articles shall take into account any dividends declared and/or paid pursuant to Article 3.1.

Dispute not to delay sale

- 10.9 A dispute as to whether Articles 10.8.1 or 10.8.2 applies to any Shares shall not affect the validity of a Deemed Transfer Notice but any person who acquires Shares (the "**Acquirer**") pursuant to a Deemed Transfer Notice while such a dispute is continuing shall pay to the Vendor the higher of Market Value and Issue Price of each Share (the "**Higher Value**") which is the subject of the dispute, discounted in accordance with Article 10.8.2 (assuming, if not the case, that the Leaver is a Bad Leaver). If upon final determination of the dispute it is found that the Vendor is a Good Leaver, the Acquirer shall pay the Vendor the difference between the Higher Value and the discounted amount within 10 Business Days of such dispute being resolved.

Date of end of employment

- 10.10 For the purpose of Articles 10.1.2 and 20, the date upon which a Member ceases to hold office as an employee shall:
 - 10.10.1 where the employer terminates or purports to terminate a contract of employment by giving notice to the employee of the termination of the employment, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
 - 10.10.2 where the employee terminates or purports to terminate a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able so to do), be the later of the

date of that notice and the date (if any) for the termination expressly stated in such notice;

10.10.3 where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated, be the date of notification, whether oral or written, to the other party of such acceptance by the employee or employer respectively;

10.10.4 where a contract of employment is terminated under the doctrine of frustration, be the date of the frustrating event; and

10.10.5 where a contract of employment is terminated for any reason other than in the circumstances set out in Articles 10.10.1 to 10.10.4 (inclusive), be the date on which the person actually ceases to be employed by the employer.

10.11 Once a Deemed Transfer Notice has been given under these Articles or has been deemed to be given under these Articles in respect of any Share then no permitted transfer under Article 8 may be made in respect of such Share unless and until an Offer Notice shall have been served in respect of such Share and the period of allocation permitted under Article 9 shall have expired without such allocation.

10.12 For the purposes of Articles 10.7.1 and 10.8 "**Market Value**" shall bear the same meaning as in Article 9.4.1 (and shall be computed on the basis set out in Article 9.5 save that in arriving at "**Market Value**" for the purposes of Articles 10.7.1 and 10.8 the Valuers shall disregard the provisions of Article 10.6).

11 **Come Along**

11.1 If:

11.1.1 Holdings wishes to transfer all of its Shares to a Third Party Purchaser; or

11.1.2 the shareholders of CloserStill Group Limited wish to sell their shares in CloserStill Group Limited ("**CloserStill Sale Group**") to a Third Party Purchaser; or

11.1.3 CloserStill Group Limited wishes to sell the Sale Group to a Third Party Purchaser,

then:

11.1.4 Holdings may give notice ("**Come Along Notice**") to each other holder of Shares requiring him to transfer his Shares with full title guarantee to the Third Party Purchaser or as the Third Party Purchaser shall direct (including for the avoidance of doubt in the case of Articles 11.1.2 and 11.1.3 to Holdings in order to facilitate the acquisition of the Group or the Sale Group in the most effective manner ("**Intermediate Sale**") and whether before or after completion of the sale of CloserStill Sale Group or Sale Group) within 14 days with an irrevocable waiver of any pre-emption rights he may have in relation to any Shares and stating that, in default of such acceptance, he shall be

deemed to have accepted such offer in respect of all Shares held by him and to have irrevocably waived any such pre-emption rights;

- 11.1.5 on a sale effected under this Article 11, the provisions of Articles 3.2.2 and 3.2.3 shall apply to the sale proceeds for the Shares. Where there is an Intermediate Sale and such sale takes place prior to completion of the sale of the CloserStill Sale Group or the Sale Group, the sale proceeds for the Shares may remain outstanding until immediately after such completion;
 - 11.1.6 upon the expiry of such notice each recipient of the notice shall be obliged to transfer his Shares with full title guarantee and to deliver to Holdings an executed share transfer form and share certificate(s) (or an indemnity in its or their place in a form acceptable to the Board and Holdings) in respect of the shares which are the subject of the notice together with an executed waiver of pre-emption rights as appropriate;
 - 11.1.7 if any such Member fails to comply with any of the matters referred to in Article 11.1.5, he shall be deemed to have appointed any director of the Company to be his agent and attorney to execute the documents on his behalf to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to Holdings and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Shares pursuant to this Article 11. It shall be no impediment to completion of the transfer that such Member's share certificate(s) has/have not been produced;
 - 11.1.8 after the Third Party Purchaser or his nominee has been registered as the holder of Shares transferred in accordance with this Article 11, the validity of such transaction shall not be questioned by any persons; and
 - 11.1.9 it shall, subject only to Article 13, be obligatory for the Board to register any duly stamped transfer of a share made pursuant to this Article 11.
- 11.2 This Article 11 shall also apply in relation to any Acquisition Shares and any other Shares which any person may be entitled to acquire pursuant to any option scheme of or option granted by the Company and which option shall be exercisable as a result of the sale of Shares referred to in Article 11.1.

12 Tag Along

- 12.1 Subject to Article 11 and save for transfers in accordance with Articles 8.1 to 8.4 (inclusive) but notwithstanding any other provision in these Articles, no Sale or other disposition of any Share (the "**Specified Shares**") to any Third Party Purchaser shall have any effect unless, before the transfer is lodged for registration, the Third Party Purchaser has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in Article 12.3) all of the Shares held by the Members ("**Uncommitted Shares**").
- 12.2 An offer made under Article 12.1 shall be in writing, given in accordance with Article 21, open for acceptance for at least 15 Business Days and shall be deemed to have

been rejected by any Member who has not accepted it in accordance with its terms and within the time period prescribed for acceptance. Where there is an Intermediate Sale and such sale takes place prior to completion of the sale of the CloserStill Sale Group or the Sale Group, the sale proceeds for the Shares may remain outstanding until immediately after such.

12.3 For the purposes of Article 12.1:

12.3.1 the expressions “**transfer**”, “**transferor**” and “**transferee**” include respectively the renunciation of a renounceable letter of allotment, and any renounee and renounee of such letter of allotment; and

12.3.2 the expression “**specified price**” means

- (a) price per share at least equal to the highest price paid or payable by the Third Party Purchaser or persons acting in concert with him or connected with him for any Shares within the last six months (including, for the avoidance of doubt, the Specified Shares) plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares; and
- (b) (if Holdings shall so require) a price per share equal to the Issue Price thereof.

12.4 If any part of the specified price is payable otherwise than in cash, no Member may require as a condition of his acceptance of the offer to receive in cash on transfer all or any of the price offered for his Uncommitted Shares.

12.5 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale or transfer to a Third Party Purchaser provided that the provisions of this Article 12 have been complied with.

13 **Prohibited Transfers**

13.1 Notwithstanding any other provision of these Articles, no transfer of any Share shall be registered if:

- 13.1.1 it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind; or
- 13.1.2 the transferor is a party to the Shareholders' Agreement and the transfer is to any person (other than a Third Party Purchaser named in a Come Along Notice) who has not executed a Deed of Adherence, in the manner required by the Shareholders' Agreement; or
- 13.1.3 the transferor effects a transfer of Shares (whether by way of transfer, disposal of and dealing in the legal or the beneficial interest in the Share) to a third party.

14 General Management Controls

- 14.1 Subject to Article 14.2, except as the Company and the Members jointly may otherwise agree in writing, the Company and the Members shall exercise their powers in relation to the Company so as to ensure that:-
- 14.1.1 the business of the Company shall be confined to the Business;
 - 14.1.2 the Company carries on and conducts its business and affairs in a proper and efficient manner and for its own benefit;
 - 14.1.3 the Company transacts all its business on arms length terms;
 - 14.1.4 the Company shall not acquire, dispose of, hire, lease, license or receive licences of any assets, goods, rights or services otherwise than at the best price reasonably obtainable in the circumstances;
 - 14.1.5 save as the Board shall otherwise resolve (or as agreed herein), the Company does not enter into any agreement or arrangement restricting its competitive freedom to provide and take goods and services by such means and from and to such persons as it may think fit;
 - 14.1.6 all business of the Company, other than routine day-to-day business, is undertaken and transacted by the Board (or the Board of each Subsidiary);
 - 14.1.7 the business of the Company is carried on pursuant to policies laid down from time to time by the Board consistent with the budget adopted by the Board from time to time;
 - 14.1.8 save as the Board shall otherwise resolve, the Directors shall not delegate any of their powers to a committee or sub-committee of Directors;
 - 14.1.9 the Company maintains with well established and reputable insurers adequate insurance against all risks usually insured against by companies carrying on the same or a similar business and (without prejudice to the generality of the foregoing) for the full replacement or reinstatement value of all of its assets of an insurable nature;
 - 14.1.10 the Company keeps at its registered office (or such other place as the Board shall agree) proper books of account and therein makes true and complete entries of all its dealings and transactions of and in relation to its business and all Shareholders shall be entitled to inspect such books on giving the Company reasonable notice;
 - 14.1.11 the Board prepares by 1 November of every calendar year in respect of each calendar year a Budget for each ensuing calendar year (to be approved by Holdings no later than 3 months from receiving the proposed Budget) and that so far as available cash resources will allow the Company adheres to each such Budget in that calendar year. The Board shall prepare within 8 weeks of an event closing an accounting summary of that event's performance and a suggested proposed preliminary budget for the subsequent event to be approved by Holdings no later than 3 months from receiving that Budget save where an event runs less than 16 weeks prior to 31 December in which case

a Budget must be submitted in accordance with the provisions of this Article 14.1.11;

14.1.12 the Company prepares such accounts in respect of each accounting reference period as are required by statute and procures that such accounts are audited as soon as practicable and in any event not later than 4 months after the end of the relevant accounting period;

14.1.13 the Company prepares in respect of each calendar month of trading, monthly management accounts in an approved form and publishes the same to the Members within 7 days of each calendar month end;

14.1.14 if the Company requires any approval, consent or licence for the carrying on of its business in the places and in the manner in which it is from time to time being carried on or proposed to be carried on the Company will use all reasonable commercial endeavours to maintain the same in full force and effect;

14.1.15 effect is given to all appointments and removals of Directors pursuant to these Articles subject to any requisite cooperation of the Director concerned; and

14.1.16 the Company complies at all times with the provisions of any licences affecting the Business.

14.2 The provisions of Article 14.1 shall apply mutatis mutandis to each Subsidiary.

15 **Restricted Transactions**

15.1 The Company shall procure that prior to the Company or any of its Subsidiaries doing any one or more of the matters or things set out in Article 15.2 (the "**Restricted Transactions**") it shall obtain the prior approval of Holdings (either in general meeting for which due notice of the intended business has been given in writing or by way of written resolution) by passing a resolution to approve the proposed Restricted Transaction.

15.2 The Restricted Transactions are as follows:

15.2.1 grant an option or other right to subscribe for shares in the Company or any other Group Company or issue any securities convertible into shares in any such company;

15.2.2 increase, reduce or otherwise alter the issued or authorised share capital of the Company (including the issue of shares pursuant to the exercise of a subsisting option to acquire shares granted by the Company under any option scheme or otherwise) or reorganise or consolidate or sub-divide or vary the rights attaching to any class thereof or purchase any of its own shares or reduce its share capital or repay any amounts standing to the credit of any share premium account or capital redemption reserve or otherwise reorganise its share capital or enter into any scheme or arrangement with creditors;

- 15.2.3 pass or procure the passing of any resolution for the winding-up or petition for the winding-up or administration of the Company or appoint or procure the appointment of a liquidator, receiver, administrative receiver or administrator over any of the assets of the Company;
- 15.2.4 alter the terms of the Articles of Association;
- 15.2.5 create any mortgage, charge, pledge, lien, encumbrance or other security interest other than such interests existing at, or created on, the Adoption Date (excluding an interest arising by operation of law in the ordinary course of business);
- 15.2.6 make any material change (including cessation) in the nature of the business of the Group (including the Business) taken as a whole;
- 15.2.7 alter the memorandum of association of the Group or the Articles or pass any special or extraordinary resolution of the members of the Group;
- 15.2.8 declare or pay any dividend or make any other distribution in respect of the profits, assets or reserves of the Group;
- 15.2.9 appoint any person to be a director or the Chairman of the Company or remove any director or Chairman of the Company except in accordance with Article 17.2;
- 15.2.10 seek or implement an Exit;
- 15.2.11 register or purport to register any transfer of any share or interest therein other than expressly permitted by the Articles;
- 15.2.12 acquire any asset or contract to receive any supplies or services or dispose of any asset or contract to provide any supplies or services otherwise than on arms length terms and in the ordinary course of its normal day to day business;
- 15.2.13 pay to any employee, consultant or director, a gross remuneration (including any bonus or commission or fee and the value for taxation purposes of any benefits in kind) in excess of £25,000 per annum (a "**Senior Employee**");
- 15.2.14 make any payment (whether gratuitous or in consideration of past or future services or in satisfaction of any existing liability or otherwise howsoever) to or for the direct or indirect benefit of any director or Senior Employee (or any person connected with any Senior Employee) other than emoluments, expenses and other payments paid in accordance with his service agreement, terms of employment or contract for services, as the case may be, or dividends lawfully paid in accordance with the Articles;
- 15.2.15 appoint or remove any Senior Employee;
- 15.2.16 employ or engage (whether as director, consultant, employee or otherwise) any person who is a family member of a director consultant, or employee from time to time of any Group Company;
- 15.2.17 enter into or materially vary or terminate any transaction or arrangement:

- (a) with any shareholder, director, senior executive or Senior Employee;
 - (b) with any person connected with any of them; or
 - (c) in which any director, senior executive or Senior Employee or any such person has an interest;
- 15.2.18 make any payments to any director or employee in respect of his office or employment not provided for in the express terms of his employment agreement, service agreement or letter of appointment (as the case may be) or exercise any discretion available to the Company under the terms of his employment agreement, service contract or letter of appointment;
- 15.2.19 enter into any contract of service with any employee not terminable on three months' notice or less;
- 15.2.20 deal in any way with any Intellectual Property Rights for the time being belonging to the Company;
- 15.2.21 change the accounting reference date or accounting principles, practices or bases used in the preparation of the Company's audited accounts save for changes required by law or generally accepted accounting principles or standards;
- 15.2.22 change the composition of any committee (or grouping of similar effect) of the Board;
- 15.2.23 establish any pension scheme, share option scheme, employee share scheme, employee trust or any profit sharing or related scheme or arrangements or agreements of similar effect or vary or discontinue any of the same;
- 15.2.24 procure that any employee share scheme or share option scheme established with the consent of Holdings shall not transfer, deal with or dispose of any share or any interest in any share of which such scheme may be the registered holder from time to time;
- 15.2.25 threaten, commence, discontinue, settle or compromise any litigation, tribunal or arbitration proceedings other than in the ordinary course of debt collection arising out of the conduct and operation of the Business;
- 15.2.26 whether or not in the ordinary course of business incur any capital expenditure in any accounting year which exceeds a sum equal to 100% of the relevant capital expenditure budget (for the capital item type in question or for the total capital expenditure budget) in the relevant Budget for the relevant accounting year (whether in connection with a single purchase or acquisition or a series of transactions whether related or not) and for the purposes of this Article 15.2.26 capital expenditure shall include the purchase price paid by the financing institution of any asset made available to any Group Company by way of a leasing or hire purchase agreement (or an agreement of a like or similar nature);

- 15.2.27 part with any part of the share capital of any company which is for the time being a subsidiary;
- 15.2.28 subscribe for, purchase, take or acquire any share, debenture, mortgage, charge or other security (or any interest therein) in any body corporate;
- 15.2.29 make any loan to or give any guarantee, indemnity or collateral charge or other security (including any letter of set off or postponement) on behalf of any third party save and except for a guarantee given in respect of the obligations of another Group Company and normal trade credit;
- 15.2.30 raise or seek to raise any funding or other facility whether debt, equity or otherwise from any third party;
- 15.2.31 change or engage alternative bankers or Auditors;
- 15.2.32 engage any professional advisers (other than advisers in relation to matters within the normal course of its trading);
- 15.2.33 dispose of any substantial part of its assets and/or business or purchase the assets, business or share capital of any company (including any establishment or participation in any joint venture or partnership);
- 15.2.34 take any steps to terminate the position of any Director either as employee or officer of the Company;
- 15.2.35 allow or agree or operate any overdraft facility;
- 15.2.36 enter into any credit sale, hire purchase or equipment leasing agreement if the total liability of the Group under all such agreements would exceed £3,000 from time to time to, save for any credit sale, hire purchase or equipment leasing agreement which is included in the Budget;
- 15.2.37 form, enter into, terminate or withdraw from any partnership, consortium, joint venture or any other unincorporated association carrying on a trade or business or any other similar arrangement whether or not with a view to profit other than trade arrangements in the ordinary course of business;
- 15.2.38 acquire or dispose of any freehold or leasehold property or grant or surrender a lease in respect of that property;
- 15.2.39 incur any expenditure or liability other than business expenses reasonably incurred in the conduct of the Business in the ordinary course;
- 15.2.40 enter into any contract or arrangement which is outside the ordinary course of business of the Group;
- 15.2.41 make any charitable donations in excess of £1,000 per annum in aggregate, or any political donation; and
- 15.2.42 incur an obligation to do any of the foregoing matters set out in Articles 15.2.1 to 15.2.41 (inclusive).

16 Proceedings at General Meetings

- 16.1 A resolution put to the vote of a general meeting must be decided on a poll. Polls shall be taken in such manner as the chairman of the meeting directs.

17 Number of Directors

- 17.1 The number of Directors shall not be less than two and there shall be no maximum number.
- 17.2 Any Member or Members holding over 50% of the issued share capital of the Company may at any time by written notice to the Company do all or any of the following:
- 17.2.1 vary the number of Directors of the Company;
 - 17.2.2 appoint one or more additional Directors; and
 - 17.2.3 remove one or more Directors from office,
- and any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 17.3 Notice of meetings of the Board (and committees therefore) shall be served on the Directors whether or not he is absent from the United Kingdom at the addresses for service of notice provided by them to the Board.

18 Alternate Directors

- 18.1 Any Director ("**appointor**") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
- 18.1.1 exercise that Director's powers; and
 - 18.1.2 carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.
- 18.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors.
- 18.3 The notice must:
- 18.3.1 identify the proposed alternate; and
 - 18.3.2 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 the notice.
- 18.4 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

18.5 Except as the Articles specify otherwise, alternate directors:

- 18.5.1 are deemed for all purposes to be Directors;
- 18.5.2 are liable for their own acts and omissions;
- 18.5.3 are subject to the same restrictions as their appointors; and
- 18.5.4 are not deemed to be agents of or for their appointors

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

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

- 18.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 18.6.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- 18.6.3 shall not be counted as more than one Director for the purposes of articles 19.1 and 19.2.

18.7 A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an eligible director in relation to that decision).

18.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

18.9 An alternate director's appointment as an alternate terminates:

- 18.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 18.9.2 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;
- 18.9.3 on the death of the alternate's appointor; or
- 18.9.4 when the alternate's appointor's appointment as a director terminates.

19 Proceedings of Directors

- 19.1 The quorum for the transaction of business of the Board shall be two Directors, one of whom shall be a Director appointed by Holdings ("**CSH Director**"). For the purposes of any meeting (or part of a meeting) held in accordance with this Article 19 to authorise a Director's conflict pursuant to section 174 (4) (b) of the Act, if there is only one eligible director in office other than the conflicted director (s) the quorum for that meeting (or part of a meeting) is one eligible director.
- 19.2 In respect of any matter which requires a decision or resolution or consent or action of the Board, such decision, resolution, consent or action shall require a majority of directors to include a CSH Director to vote in favour of such decision, resolution, consent or action.
- 19.3 The Directors (acting with the consent of Holdings) may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.
- 19.4 The Chairman shall have a second or casting vote at a meeting of the Board.
- 19.5 Save with the consent of the CSH Director:
- 19.5.1 the Board shall not delegate any of its powers to a committee; and
- 19.5.2 meetings of the Board shall not be held outside the United Kingdom.
- 19.6
- 19.6.1 The provisions of this Article 19.6 shall apply in relation to the exercise of the power of the Directors to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 (1) of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 19.6.2 In this Article and Articles 19.7 to 19.10 (inclusive):
- (a) "**authorise**" means to authorise in accordance with section 175 (5) (a) of the Act and "**authorisation**", "**authorised**" and cognate expressions shall be construed accordingly;
- (b) "**conflicted Director**" means a Director in relation to whom there is a conflicting matter; and
- (c) "**conflicting matter**" means a matter which would or might (if not authorised) constitute or give rise to a breach of the duty of a Director under section 175 (1) of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

- 19.6.3 The provisions of this Article 19 apply without prejudice (and subject) to the provisions of section 175 (6) of the Act and subject to the Members resolving that authorisations may be given by the Directors. Nothing in these Articles shall invalidate an authorisation.
- 19.6.4 A conflicted Director seeking authorisation of any conflicting matter shall disclose to the Directors the nature and extent of the conflicting matter as soon as is reasonably practicable. The conflicted Director shall provide the Directors with such details of the conflicting matter as are necessary for the Directors to decide how to address the conflicting matter, together with such additional information as may be requested by the Directors.
- 19.6.5 Any Director (including the conflicted Director) may propose that a conflicted Director's conflicting matter be authorised. Any such proposal, and any authorisation given by the Directors, shall be effected in the same way as any other matter may be proposed to and resolved on by the Directors under the provisions of these Articles, except that:
- (a) the conflicted Director and any other interested Director shall not count towards the quorum nor vote on any resolution giving that authorisation; and
 - (b) the conflicted Director and any other interested Director may, if the Directors so decide, be excluded from any meeting of the Directors while the conflicting matter and the giving of that authorisation are under consideration.
- 19.6.6 Where the Directors authorise a conflicted Director's conflicting matter:
- (a) the Directors may (whether at the time of giving the authorisation or subsequently):
 - (i) require that the conflicted Director is excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the Directors or otherwise) related to the conflicting matter; and
 - (ii) impose on the conflicted Director such other terms or conditions for the purpose of dealing with any actual or potential conflict of interest which may arise from the conflicting matter as they may determine;
 - (b) the conflicted Director shall conduct himself in accordance with any terms or conditions imposed by the Directors in giving that authorisation;
 - (c) the Directors may provide that, where the conflicted Director obtains (otherwise than through his position as a Director) information that is confidential to a third party, the conflicted Director will not be obliged to disclose the information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;

- (d) the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded); and
- (e) the Directors may revoke or vary the authorisation at any time but no such action will affect anything done by the conflicted Director prior to that action in accordance with the terms of the authorisation.

19.7 A conflicted Director shall not, by reason of his office or of the resulting fiduciary relationship, be liable to account to the Company for any benefit which he (or a person connected with him) derives from a conflicting matter authorised by the Directors and no transaction or arrangement shall be liable to be avoided on the grounds of any such benefit.

19.8

19.8.1 A Director who has directly or indirectly an interest or a duty in a matter which is material and which conflicts or may conflict with the interests of the Company may, notwithstanding his interest or duty, vote on the matter and be included for the purposes of a quorum at any meeting at which the matter is considered provided that:

- (a) he has disclosed the nature and extent of his interest or duty giving rise to his conflict of interest; and
- (b) where his conflict of interest is constituted by or arises from a conflicting matter of his, that conflicting matter has been authorised and the Director has not been required to be excluded from participation in discussions and/or the making of decisions related to the matter.

19.8.2 If a question arises at a meeting of the Directors about whether a Director (other than the chairman of the meeting) has an interest which is likely to give rise to a conflict of interest or if he can vote or be counted in the quorum, and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The ruling of the chairman of the meeting about any other Director is final and conclusive, unless the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Directors. If the question arises regarding the chairman of the meeting, the question shall be decided by a resolution of the Directors. The chairman of the meeting cannot vote on the question but can be counted in the quorum. The Directors' resolution about the chairman of the meeting is conclusive, unless the nature and extent of the chairman's interest (so far as it is known to him) has not been fairly disclosed to the Directors.

19.9 The Company may by ordinary resolution ratify any transaction or arrangement which has not been properly authorised by reason of a contravention of these Articles, or suspend or relax to any extent, either generally or in respect of any particular matter,

any provision of the Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.

19.10 For the purposes of Articles 19.8 and 19.9:

19.10.1 an interest or duty is “**material**” unless it cannot reasonably be regarded as likely to give rise to a conflict of interest; and

19.10.2 a “**conflict of interest**” includes a conflict of interest and duty and a conflict of duties.

20 **Retirement of Directors**

20.1 Directors shall not be required to retire by rotation or at the first annual general meeting following appointment.

20.2 The office of Director shall be vacated if:

20.2.1 (being an executive director of the Company or any subsidiary) he ceases, or the Member who has appointed such Director ceases, to hold office as an employee within the meaning of Article 10.1.2, of the Company or any subsidiary without being appointed or continuing to be a consultant or employee of another Group Company; or

20.2.2 such Director is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed); or

20.2.3 such Director is declared bankrupt or makes any arrangement with or for the benefit of his creditors or has a county court administration order made against him under the County Court Act 1984; or

20.2.4 commits any fraud or dishonesty; or

20.2.5 commits any offence under the Bribery Act 2010.

Model Article 18 shall be extended accordingly.

21 **Notices**

21.1 Any notice to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board.

21.2 Any notice to be given pursuant to these Articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender.

21.3 A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 24 hours after the envelope containing it was posted. Any notice or other document

delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

22 Indemnity

22.1 To the fullest extent permitted by law:

- 22.1.1 every director, alternate director, secretary or other officer of the Company or of any other company which is a subsidiary of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation thereto, including (without limitation) any liability incurred in defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company or of any other company which is a subsidiary of the Company, but in each case without prejudice to any indemnity to which he may be otherwise entitled;
- 22.1.2 the Directors may authorise loans by the Company to any director, alternate director, secretary or other officer of the Company or of any other company which is a subsidiary of the Company for the purposes of meeting any liability incurred in defending any proceedings referred to in Article 22.1.1; and
- 22.1.3 the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer or employee of the Company or of any other company which is a subsidiary of the Company indemnifying that person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, officer or employee.

23 Subsidiary undertakings

23.1 The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiary undertaking so as to secure (but as regards its subsidiary undertakings only in so far as by the exercise of such rights or powers of control the Board can secure) that:

- 23.1.1 no shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any such shares or securities otherwise than to the Company or one of its wholly-owned subsidiaries; and
- 23.1.2 neither the Company nor any of its subsidiaries transfers or disposes of any shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its wholly-owned subsidiaries,

without in either case the previous written consent of Holdings.