

Company Number: SC175703

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

PRINT OF RESOLUTIONS
of
PAYWIZARD GROUP PLC
(the "Company")

(Passed on 24 July 2015)

THURSDAY



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06/08/2015

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COMPANIES HOUSE

At a general meeting of the Company duly convened and held on the above date, the following resolutions were passed as ordinary or special resolutions as indicated below:

ORDINARY RESOLUTION

1. **THAT** the terms of, and the transactions contemplated by the facility agreement to be entered into by the Company with Scottish Loan Fund LP (acting by SLF GP Limited as general partner) and Maven Capital Partners UK LLP (as agent and security trustee) (the "Facility Agreement") be and are hereby approved.

ORDINARY RESOLUTION

2. **THAT:**
 - 2.1 subject to the passing of Resolution 1 above the directors of the Company be generally and unconditionally authorised for the purposes of section 551 Companies Act 2006 to exercise all the powers of the Company to allot such number of ordinary shares of 10 pence each in the Company or grant rights to subscribe for or to convert any security into ordinary shares of 10 pence each in the Company ("**Rights**") which equal 15% of the fully diluted share capital of the Company immediately prior to an exercise event (as such term is defined in a warrant instrument to be signed by the Company on or around the date of the Facility Agreement entitling Scottish Loan Fund LP to warrants to subscribe for 15% of the fully diluted share capital of the Company at an exercise event). This authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the date of this resolution, but the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or Rights to be granted after it has expired and the directors may allot shares or grant Rights under any such offer or agreement notwithstanding that the authority conferred by this resolution has expired;
 - 2.2 the directors of the Company be generally and unconditionally authorised for the purposes of section 551 Companies Act 2006 to exercise all the powers of the Company

to allot ordinary shares of 10 pence each in the Company or grant rights to subscribe for or to convert any security into ordinary shares of 10 pence each in the Company ("Rights") up to an aggregate nominal amount of £131,000.00. This authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the date of this resolution, but the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or Rights to be granted after it has expired and the directors may allot shares or grant Rights under any such offer or agreement notwithstanding that the authority conferred by this resolution has expired;

- 2.3 the directors of the Company be generally and unconditionally authorised for the purposes of section 551 Companies Act 2006 to exercise all the powers of the Company to allot A Deferred Shares of 10 pence each in the Company or grant rights to subscribe for or to convert any security into A Deferred Shares of 10 pence each in the Company ("Rights") up to an aggregate nominal amount of £6,000.00. This authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the date of this resolution, but the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or Rights to be granted after it has expired and the directors may allot shares or grant Rights under any such offer or agreement notwithstanding that the authority conferred by this resolution has expired;
- 2.4 the directors of the Company be generally and unconditionally authorised for the purposes of section 551 Companies Act 2006 to exercise all the powers of the Company to allot B Deferred Shares of 0.001 pence each in the Company or grant rights to subscribe for or to convert any security into B Deferred Shares of 0.001 pence each in the Company ("Rights") up to an aggregate nominal amount of £10.00. This authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the date of this resolution, but the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or Rights to be granted after it has expired and the directors may allot shares or grant Rights under any such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and
- 2.5 the authorities above are in substitution for all previous authorities conferred on the directors in accordance with section 80 Companies Act 1985 or section 551 Companies Act 2006.

SPECIAL RESOLUTION

3. THAT:

- 3.1 subject to the passing of resolution 2 and in accordance with section 570 Companies Act 2006, the directors of the Company be generally empowered to allot equity securities (as defined in section 560 Companies Act 2006) pursuant to the authority conferred by resolution 2, as if section 561 Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities under the authority conferred by resolution 2 above; and

- 3.2 the Company may make an offer or agreement before this power expires which would or might require equity securities (as so defined) to be allotted after it has expired and the directors may allot equity securities under any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

SPECIAL RESOLUTION


4. **THAT** such number of issued ordinary shares of 10 pence each in the capital of the Company as set out in column 2 of the table below be redesignated as A Deferred Shares of 10 pence each, each having the rights and being subject to the restrictions set out in respect of such shares in the articles of association of the Company to be adopted under resolution 5.

(1) Shareholder	(2) Number of Ordinary Shares to be redesignated as A Deferred Shares
RIT Capital Partners plc	177,365
The Honourable Susan Lacroix	88,683
Lord Weinstock's Will Trust	88,683
David Freeman Estate	112,761
Michael Freeman	122,705
Peter Freeman	84,919
Chasophie Limited	302,881
Ronald Millar	756
Jonathan Guthrie	756

SPECIAL RESOLUTION

5. **THAT** the articles of association in the form initialled by the chairman of the meeting for the purposes of identification be adopted as the new articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.

SIGNED by)
for and on behalf of)
PayWizard Group Plc)

.....Director

REVISED NEW ARTICLES OF ASSOCIATION

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY SHARES

PAYWIZARD GROUP PLC

PRELIMINARY

- 1.1 The regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 shall apply to the Company save insofar as they are excluded or modified by or are inconsistent with the regulations hereinafter contained and the regulations contained in Table A and the regulations herein contained shall be the articles of association of the Company ("the Articles").
- 1.2 Regulations 24, 25, 41, 46, 50, 51, 54, 64, 65, 73, 74 and 75 of Table A shall not apply to the Company.

DEFINITIONS

- 2.1 In these Articles the following expressions shall have the following meanings:-

Accepting Shareholders shall bear the meaning attributed to that term by Article 16.2;

Act means the Companies Act 1985;

A Deferred Shares means the A Deferred Shares of 10 pence each in the capital of the Company;

Auditors means the auditors of the Company for the time being and from time to time;

B Deferred Shares means the B Deferred Shares of 0.001 pence each in the capital of the Company;

Controlled Company means in relation to an individual member of the Company any body corporate in respect of which that individual is entitled to exercise or control the exercise of 75 per cent or more of the voting power at general meetings of that body corporate;

Deferred Shares means the A Deferred Shares and the B Deferred Shares;

Exempt Sale Notice shall bear the meaning attributed to that term by Article 13.4;

Exempt Sale Price shall bear the meaning attributed to that term by Article 13.2.2;

Exempt Shares shall bear the meaning attributed to that term by Article 13.2.1;

Exempt Transfer shall bear the meaning attributed to that term by Article 13;

Exempt Transfer Notice shall bear the meaning attributed to that term by Article 13.1;

Exempt Vendor shall bear the meaning attributed to that term by Article 13.1;

Freeman Group means David Freeman, Michael Freeman and Peter Freeman;

Group means the Company and its subsidiary undertakings (if any) for the time being and from time to time and references to Group Company and members of the Group shall be construed accordingly;

Investor Group means in respect of any Investor which is a company, any subsidiary or subsidiary undertaking of that company, any holding company or parent undertaking of that company or any subsidiary or subsidiary undertaking of such holding company or parent undertaking;

Minimum Transfer Condition shall bear the meaning attributed to that term by Article 14.3;

Nominated Director shall bear the meaning attributed to that term by Article 18;

Offeror shall bear the meaning attributed to that term by Article 16.1;

Ordinary Shares means the Ordinary Shares of 10 pence each in the capital of the Company;

Other Shareholders shall bear the meaning attributed to that term by Article 16.3;

Permitted Transfer shall bear the meaning attributed to that term by Article 11;

Proposed Buyer shall bear the meaning attributed to that term by Article 15.2;

Proposed Sale Date shall bear the meaning attributed to that term by Article 15.2;

Proposed Sale Notice shall bear the meaning attributed to that term by Article 15.2;

Proposed Sale Shares shall bear the meaning attributed to that term by Article 15.2;

Proposed Sellers shall bear the meaning attributed to that term by Article 15.1;

Proposed Transferee shall bear the meaning attributed to that term by Article 14.2.3;

Qualifying Offer shall bear the meaning attributed to that term by Article 16.1;

Qualifying Shareholders shall bear the meaning attributed to that term by Article 14.4;

Rejection Notice shall bear the meaning attributed to that term by Article 13.5;

Related Persons means in relation to any individual member of the Company, any one or more of the following:- his wife or her husband, or any child of his or hers or any trust for the benefit only of any of the foregoing individuals and in relation to a corporate member of the Company, its sole shareholder or his wife or her husband or any child of his or hers or any trust for the benefit only of any of the foregoing individuals;

Remaining Shareholders shall bear the meaning attributed to that term by Article 15.2;

Sale Notice shall bear the meaning attributed to that term by Article 14.9;

Sale Price shall bear the meaning attributed to that term by Article 14.2.4;

Sale Shares shall bear the meaning attributed to that term by Article 14.2.2;

Shareholders' Agreement means the Subscription and Shareholders' Agreement dated 7 July 2000 and made between Ronald Millar and others (1) Chasophie Limited and others (2) RIT Capital Partners plc and others (3) and the Company as amended and novated from time to time;

Transfer Notice shall bear the meaning attributed to that term by Article 14.1;

Vendor shall bear the meaning attributed to that term by Article 14.1;

- 2.2 The terms **subsidiary, subsidiary undertaking, wholly owned subsidiary, parent undertaking, holding company, financial year, director, body corporate and equity share capital** shall have the meanings respectively attributed to them at the date of the adoption of these Articles by the Act and the term **connected person** shall have the meaning attributed to it at the date of the adoption of these Articles by section 839 Income and Corporation Taxes Act 1988 and the words **connected with** shall be construed accordingly.
- 2.3 The terms **Executives, Existing Investors, New Investors, Investors, Freemans and Chasophie** shall have the meanings respectively attributed to them by the Shareholders' Agreement as from time to time novated, varied, amended or supplemented.
- 2.4 A reference to any statutory provision in these Articles:-
- 2.4.1 includes any order, instrument, plan, regulation, permission and direction made or issued under such statutory provision or deriving validity from it; and
- 2.4.2 shall be construed as a reference to such statutory provision as in force at the date of adoption of these Articles (including, for the avoidance of doubt, any amendments made to such statutory provision that are in force at the date of the adoption of these Articles); and
- 2.4.3 shall also be construed as a reference to any statutory provision of which such statutory provision is a re-enactment or consolidation; and
- 2.4.4 shall also be construed as a reference to any later statutory provision which re-enacts or consolidates such statutory provision.
- 2.5 Words importing one gender shall (where appropriate) include any other gender, and words importing the singular shall (where appropriate) include the plural and vice versa.
- 2.6 References in these Articles to **Regulations and Articles** are to regulations of Table A and to the regulations contained in these Articles respectively.

DEFERRED SHARE RIGHTS

3. The rights and restrictions attaching to the A Deferred Shares and the B Deferred Shares (which shall constitute separate classes of share) shall be as follows:

3.1.1 Voting

The holders of Deferred Shares shall not be entitled to receive notice of any general meeting of the Company nor have the right to attend, speak or vote at any such general meeting.

3.1.2 Dividend

The holders of the Deferred Shares shall not, by virtue of their holdings of Deferred Shares, be entitled to receive any dividend or other distribution or to participate in any way in the income or profits of the Company.

3.1.3 Return of Capital Rights

3.1.3.1 In the event of a return of capital or any other distribution made to members, the holders of the A Deferred Shares shall be entitled to receive, by virtue of their holdings of A Deferred Shares, the nominal value of such A Deferred Shares after the repayment of the nominal value of all the Ordinary Shares, the amount due to the holders of the B Deferred Shares under article 3.1.3.2 and the distribution of an amount equal to £1,000,000 on each Ordinary Share. Save as aforesaid the holders of A Deferred Shares shall have no interest or right to participate in the assets of the Company.

3.1.3.2 In the event of a return of capital or any other distribution made to members, the holders of the B Deferred Shares shall be entitled to receive, by virtue of their holdings of B Deferred Shares, the nominal value of such B Deferred Shares after the repayment of the nominal value of all the Ordinary Shares and subject to article 3.1.3.1 any excess thereafter shall be due to the holders of Ordinary Shares only. Save as aforesaid the holders of B Deferred Shares shall have no interest or right to participate in the assets of the Company.

3.1.4 Rights on an Exit

In the event of a sale of the entire issued share capital of the Company, the holders of the B Deferred Shares shall be entitled to receive, by virtue of their holding of B Deferred Shares, from the proceeds available to the Shareholders and only to the extent that the holders of Ordinary Shares have first received from the proceeds available to the Shareholders £200,000,000 in aggregate, £0.05 for each B Deferred Share. Thereafter, any excess proceeds shall be due to the holders of Ordinary Shares.

VOTING RIGHTS

4. On a show of hands, every holder of Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every holder of Ordinary Shares shall have one vote for every Ordinary Share of which he is a holder.

DIVIDEND RIGHTS

5. Each Ordinary Share shall rank equally for receipt of income and dividends.

RETURN OF CAPITAL RIGHTS

6. On a return of capital on liquidation or otherwise (except on the redemption of shares of any class or the purchase by the Company of its own shares), the surplus assets of the Company remaining after the payment of its liabilities shall, subject to any payment to be made in accordance with Article 3 above, be distributed amongst the holders of the Ordinary Shares and each Ordinary Share shall rank equally.

VARIATION OF CLASS RIGHTS

7. 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, with the consent in writing of the holders of 75 per cent in nominal amount 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 shares of that class, but not otherwise. All the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply to every such separate meeting, except that the necessary quorum shall be two persons holding or representing by proxy at least one third in nominal amount of the issued shares of that class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present any member or members who are present shall be a quorum), and the holders of shares of each class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

PERMITTED AND EXEMPT TRANSFERS OF SHARES

8. A transfer permitted by the provisions of Article 11 is referred to in these Articles as a **Permitted Transfer**.
9. A transfer permitted by the provisions of Article 13 is referred to in these Articles as an **Exempt Transfer**.
10. The directors shall refuse to register the transfer of any share to a person unless the same is permitted in accordance with the Shareholders' Agreement provided that the directors may not refuse to register a Permitted Transfer or an Exempt Transfer of any fully paid share and the directors shall be bound to register any such transfer within 14 days after the

lodging of the instrument of transfer with the Company and to enter the name of the transferee in the register of members.

11. Notwithstanding any other provisions of these Articles, a member or members (or any persons entitled in consequence of the death of a member) may at any time transfer any share:-
- 11.1 if an Investor to a member of its Investor Group; or
 - 11.2 if a member of an Investor Group to the Investor in relation to which it is such a member and/or to other members of the same Investor Group; or
 - 11.3 if an Investor or a member of an Investor Group to any person who will hold the shares only as a nominee for such Investor or member; or
 - 11.4 if a nominee of an Investor or member of an Investor Group to such Investor or member; or
 - 11.5 to any Related Person (provided that in the case of an individual Related Person such individual is over the age of 18) or to a Controlled Company; or
 - 11.6 if such member holds such share or shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such member is a Related Person, to the person who originally transferred such shares or any other Related Person of such original transferor; or
 - 11.7 if a trustee of any employee share scheme of the Company (within the meaning of Section 743 of the Act) to any employee of the Company or any of its subsidiaries and if by any such employee (or by any person who was formerly such an employee) to the trustees of such employee share scheme; or
 - 11.8 if a member of the Freeman Group to any other member of the Freeman Group or to any Related Person of such other member of the Freeman Group,

PROVIDED THAT (save in the case of Article 11.7) if the relationship which made the transfer permissible pursuant to this Article 11 shall cease to exist the transferee shall be bound to transfer back such shares to the original transferor.

- 12.1 The directors may require from any person lodging a transfer pursuant to Article 11 such information and evidence as the directors think fit regarding any matter which they may reasonably deem relevant for the purposes of these Articles and may refuse to register the relevant transfer until they have received information and evidence satisfactory to them.
- 12.2 Save for a Permitted Transfer, an Exempt Transfer or a transfer pursuant to Article 15 or 16 no Ordinary Share held by an Executive or a Permitted Transferee of an Executive shall be transferred by a member without the written consent of the holders of 75% of the Ordinary Shares not held by Executives or their Permitted Transferees.
- 13.1 Any member of the Company holding less than 2% of the issued share capital of the Company from time to time, who wishes to transfer such holding or any part of it (the

Exempt Vendor) shall give notice in writing of such wish to MGT Trustee Limited (Company Number SC208144) (the **Exempt Transfer Notice**). The Exempt Transfer Notice shall be copied to the registered office of the Company.

13.2 Each Exempt Transfer Notice shall:

13.2.1 specify the number of shares which the Exempt Vendor wishes to transfer (the **Exempt Shares**);

13.2.2 specify the price per share (the **Exempt Sale Price**) at which the Exempt Vendor is prepared to transfer the Exempt Shares; and

13.2.3 not be varied or cancelled.

13.3 An Exempt Vendor may provide in the Exempt Transfer Notice that unless purchasers are found for all or not less than a specified number of the Exempt Shares, he shall not be bound to transfer any of such shares and any such provisions shall be binding on MGT Trustee Limited.

13.4 MGT Trustee Limited shall within 24 days of receipt of an Exempt Transfer Notice give notice in writing (an **Exempt Sale Notice**) to the Exempt Vendor advising whether it will purchase all of the Exempt Shares and the aggregate price payable therefor, such notice to be copied to the Company at its registered address. Completion of the sale and purchase of those Exempt Shares in accordance with the Exempt Sale Notice shall take place within seven days after the date of the Exempt Sale Notice whereupon the Exempt Vendor shall, upon payment of the price due in respect of those shares, transfer the Exempt Shares specified in the Exempt Sale Notice to MGT Trustee Limited.

If in any case the Exempt Vendor having become bound as aforesaid makes default in transferring the Exempt Shares, the Company may receive such purchase money from MGT Trustee Limited on behalf of the Exempt Vendor and may nominate some person to execute an instrument of transfer of such shares in the name and on behalf of the Exempt Vendor and thereafter when such instrument has been duly stamped the Company shall cause the name of MGT Trustee Limited to be entered in the Register of Members of the Company as the holder of such shares and where applicable shall hold the purchase money in trust without interest for the Exempt Vendor. The receipt of the purchase money by the Company shall be a good discharge to MGT Trustee Limited and after its name has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

13.5 If following receipt of a Transfer Notice MGT Trustee Limited has confirmed to the Exempt Vendor in writing that it does not wish to purchase all of the Exempt Shares from the Exempt Vendor (a **Rejection Notice**), then the Exempt Vendor shall be at liberty during the period of 30 days following the date of the Rejection Notice to transfer all of the Exempt Shares which MGT Trustee Limited has confirmed it does not wish to purchase at a price per share not less than the Exempt Sale Price.

- 13.6 If MGT Trustee Limited shall not have given an Exempt Sale Notice or a Rejection Notice to the Exempt Vendor in respect of all the Exempt Shares within 24 days after the date of the receipt of a Transfer Notice, the Exempt Vendor shall, during the period of 30 days next following the expiry of such period, be at liberty to transfer all of the Exempt Shares for which an Exempt Sale Notice or a Rejection Notice has not been given at a price per share not less than the Exempt Sale Price.

TRANSFER PRE-EMPTION PROVISIONS

- 14.1 Except in the case of a transfer which is a Permitted Transfer or an Exempt Transfer, every member who wishes to transfer any shares (the **Vendor**) shall give notice in writing of such wish to the Company (the **Transfer Notice**).
- 14.2 Each Transfer Notice shall:-
- 14.2.1 relate to one class of shares only;
 - 14.2.2 specify the number of shares which the Vendor wishes to transfer (the **Sale Shares**);
 - 14.2.3 specify the identity of the person to whom the Vendor intends to transfer the Sale Shares (the **Proposed Transferee**);
 - 14.2.4 specify the price per share (the **Sale Price**) at which the Vendor is prepared to transfer the Sale Shares;
 - 14.2.5 be deemed to constitute the Company the Vendor's agent for the sale of the Sale Shares at the Sale Price in the manner prescribed by these Articles; and
 - 14.2.6 not be varied or cancelled.
- 14.3 A Vendor may provide in the Transfer Notice that unless purchasers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such shares (a **Minimum Transfer Condition**) and any such provision shall be binding on the Company.
- 14.4 The Company shall within 10 days of receipt of a Transfer Notice offer for purchase each of the Sale Shares at the Sale Price to each member (other than the Vendor) holding 2% or more of the issued share capital of the Company as at the date of the Transfer Notice (the **Qualifying Shareholders**) and shall invite each of the Qualifying Shareholders to state within 14 days of the date of despatch of such offer whether he is willing to purchase any, and if so how many, of the Sale Shares.
- 14.5 If the Qualifying Shareholders shall within such 14 day period apply for any of the Sale Shares the Company shall allocate those Sale Shares which have been applied for to the Qualifying Shareholders who have applied to purchase any of them and, if the Qualifying Shareholders have applied in aggregate for a greater number than the Sale Shares, the Sale Shares shall be allocated to the Qualifying Shareholders pro rata according to the number of Ordinary Shares held by them at the date of the offer.

- 14.6 If and to the extent that any of the Sale Shares are not applied for by the Qualifying Shareholders of the Company within the said period of 14 days, the Company may, with the written consent of the holders for the time being of 75 per cent in nominal value of the issued Ordinary Shares (other than those held by Executives or their Permitted Transferees) by notice in writing (given at any time within the period of seven days after the expiry of the said 14 day period) invite any person or persons selected by the directors to apply for any of the Sale Shares not applied for by the Qualifying Shareholders at the Sale Price. If a person or persons selected by the directors as aforesaid shall apply within seven days of such invitation for any Sale Shares, the Company shall allocate to him or them such number of Sale Shares as they in their absolute discretion decide, subject always to the provisions of Article 14.7.
- 14.7 No offeree of the Sale Shares shall be obliged to take more than the maximum number of Sale Shares that he has indicated to the Company he was willing to purchase. An allocation of Sale Shares made by the Company pursuant to Article 14.5 or Article 14.6 shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them.
- 14.8 Notwithstanding the provisions of Articles 14.5 and 14.6, the Company may not make an allocation of Sale Shares unless and until it has found purchasers for the minimum number specified in any Minimum Transfer Condition.
- 14.9 The Company shall forthwith upon allocating any Sale Shares give notice in writing (a **Sale Notice**) to the Vendor and to each person to whom Sale Shares have been so allocated, of the number of Sale Shares allocated to him and the aggregate price payable therefor. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within seven days after the date of the Sale Notice whereupon the Vendor shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the person or persons to whom they have been allocated and deliver the relative share certificates.
- 14.10 If in any case the Vendor having become bound as aforesaid makes default in transferring the Sale Shares, the Company may receive such purchase money and may nominate some person to execute an instrument of transfer of such shares in the name and on behalf of the Vendor and thereafter when such instrument has been duly stamped the Company shall cause the name of the proposed transferee to be entered in the Register of Members as the holder of such shares and where applicable shall hold the purchase money in trust without interest for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and after his name has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 14.11 If the Company shall not have given a Sale Notice to the Vendor in respect of all the Sale Shares within 42 days after the date of the receipt of a Transfer Notice, the Vendor shall, during the period of 30 days next following the expiry of such period, be at liberty to transfer all of the Sale Shares for which a Sale Notice has not been given or in the case where the

Transfer Notice contained a Minimum Transfer Condition which has not been satisfied, any number of Sale Shares which is not less than the number specified in such Minimum Transfer Condition at a price per share not less than the Sale Price.

TAG ALONG

- 15.1 If at any time, a member or members holding Ordinary Shares representing not less than 50% of the Ordinary Shares (the **Proposed Sellers**) propose to dispose, in one or a series of related transactions, of any Ordinary Shares to any person (save to a Permitted Transferee), the Proposed Sellers may only agree to such a sale if they comply with the provisions of this Article 15.
- 15.2 The Proposed Sellers shall give written notice (the **Proposed Sale Notice**) to the remaining members of the Company (together the **Remaining Shareholders**) of such intended disposal at least 14 days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (the **Proposed Buyer**), the purchase price and other terms and conditions of payment, the proposed date of sale (the **Proposed Sale Date**) and the number of Ordinary Shares (the **Proposed Sale Shares**) proposed to be disposed of by the Proposed Sellers and acquired by the Proposed Buyer.
- 15.3 The Proposed Sellers shall ensure that the Proposed Buyer extends his offer to all the Remaining Shareholders each of whom shall accordingly, be entitled, by written notice given to the Proposed Sellers and the Proposed Buyer within 21 days of receipt of the Proposed Sale Notice, to sell his Ordinary Shares to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice. For the avoidance of doubt, Article 16 shall not apply to any offer extended to members pursuant to this Article 15.
- 15.4 If the Remaining Shareholders are not given the rights accorded to them by the provisions of this Article 15, the Proposed Sellers shall be required not to complete their sale or dispose of any interest in the Proposed Sale Shares and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.
- 15.5 This Article 15 shall not apply to any disposal made by any member which shall be a Permitted Transfer pursuant to the terms of Article 11.

DRAG ALONG

- 16.1 In these Articles a **Qualifying Offer** shall mean a bona fide offer, recommended for acceptance by the Board, at arm's length in writing by or on behalf of any person (the **Offeror**) to the holders of the entire equity share capital in the Company to acquire all their equity share capital.
- 16.2 If at any time a member or members holding Ordinary Shares representing not less than 75% of the Ordinary Shares then in issue (the **Accepting Shareholders**) wish to accept the Qualifying Offer and the Accepting Shareholders are not connected with or associated with the Offeror then the provision of this Article 16 shall apply.

- 16.3 The Accepting Shareholders shall give written notice to the remaining holders of the ordinary share capital (the **Other Shareholders**) of their wish to accept the Qualifying Offer and the Other Shareholders shall become bound to transfer their Ordinary Shares and any Deferred Shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders being not less than 30 days after service of such notice at the price specified in the Qualifying Offer, or in the case of any Deferred Shares at nominal value.
- 16.4 If any Other Shareholder shall not, within 7 days of being required to do so, execute and deliver transfers in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to, and shall be entitled to authorise and instruct such person as he thinks fit to execute the necessary transfer(s) and indemnities on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Ordinary Shares and Deferred Shares (if any), deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and to register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.

PROCEEDINGS AT GENERAL MEETINGS

- 17.1 If within half an hour from the time appointed for a general meeting of the Company a quorum is not present, or if during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the members present may decide and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the member or members present shall constitute a quorum.
- 17.2 A resolution put to the vote of a meeting shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a member entitled to vote.
- 17.3 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some other way approved by the directors must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting and Regulation 62 shall be modified accordingly.
- 17.4 When a poll has been demanded it shall be taken forthwith.
- 17.5 The Chairman of the meeting shall not, in the case of an equality of votes, whether on a show of hands or on a poll, be entitled to exercise any second or casting vote.

DIRECTORS

- 18.1 If the New Investors and/or their Permitted Transferees hold not less than 10% of the aggregate of the issued share capital of the Company, they shall be entitled to appoint one person to be a director of the Company and of each subsidiary and each subsidiary undertaking of the Company and of each committee of the board of directors of the Company and of each subsidiary and each subsidiary undertaking of the Company (any director appointed in accordance with this Article 18.1 being a **Nominated Director**). In relation to such rights the following provisions shall have effect:
- 18.1.1 any such appointment shall be effected by notice in writing to the relevant Group Company signed by the person or persons entitled to exercise the right who may in like manner at any time and from time to time remove from office any director so appointed and appoint any person in place of any director so removed or otherwise vacating office;
 - 18.1.2 each such appointment and removal shall take effect forthwith upon such notice being received by the Company and the provisions of Regulation 76 shall be read subject to this Article 18.1;
 - 18.1.3 only the Ordinary Shares held by the New Investors and/or their Permitted Transferees shall confer upon the holders thereof the right to vote upon any resolution pursuant to section 303 of the Act for the removal of any Nominated Director for the time being holding office pursuant to this Article 18.1;
 - 18.1.4 a Nominated Director for the time being holding office pursuant to this Article shall not be required to hold any share qualification; and
 - 18.1.5 a Nominated Director (and, where applicable, his alternate), shall be entitled to disclose to the New Investors and/or their Permitted Transferees such information concerning the Company and the Group as he thinks fit.
- 18.2 If the Freemans and/or their Permitted Transferees hold not less than 10% of the aggregate of the issued share capital of the Company, they shall be entitled to appoint one person to be a director of the Company and of each subsidiary and each subsidiary undertaking of the Company and of each committee of the board of directors of the Company and of each subsidiary and each subsidiary undertaking of the Company (any director appointed in accordance with this Article 18.2 being a **Nominated Director**). In relation to such rights the following provisions shall have effect:
- 18.2.1 any such appointment shall be effected by notice in writing to the relevant Group Company signed by the person or persons entitled to exercise the right who may in like manner at any time and from time to time remove from office any director so appointed and appoint any person in place of any director so removed or otherwise vacating office;

- 18.2.2 each such appointment and removal shall take effect forthwith upon such notice being, received by the Company and the provisions of Regulation 76 shall be read subject to this Article 18.2;
- 18.2.3 only the Ordinary Shares held by the Freemans and/or their Permitted Transferees shall confer upon the holders thereof the right to vote upon any resolution pursuant to section 303 of the Act for the removal of any Nominated Director for the time being holding office pursuant to this Article 18.2;
- 18.2.4 a Nominated Director for the time being holding office pursuant to this Article shall not be required to hold any share qualification; and
- 18.2.5 a Nominated Director (and, where applicable, his alternate), shall be entitled to disclose to the Freemans and/or their Permitted Transferees such information concerning the Company and the Group as he thinks fit.
- 18.3 If Chasophie and/or its Permitted Transferees hold not less than 10% of the aggregate of the issued share capital of the Company, it shall be entitled to appoint one person to be a director of the Company and of each subsidiary and each subsidiary undertaking of the Company and of each committee of the board of directors of the Company and of each subsidiary and each subsidiary undertaking of the Company (any director appointed in accordance with this Article 18.3 being a **Nominated Director**). In relation to such rights the following provisions shall have effect:
- 18.3.1 any such appointment shall be effected by notice in writing to the relevant Group Company signed by the person or persons entitled to exercise the right who may in like manner at any time and from time to time remove from office any director so appointed and appoint any person in place of any director so removed or otherwise vacating office;
- 18.3.2 each such appointment and removal shall take effect forthwith upon such notice being received by the Company and the provisions of Regulation 76 shall be read subject to this Article 18.3;
- 18.3.3 only the Ordinary Shares held by Chasophie and/or its Permitted Transferees shall confer upon the holders thereof the right to vote upon any resolution pursuant to section 303 of the Act for the removal of any Nominated Director for the time being holding office pursuant to this Article 18.3;
- 18.3.4 a Nominated Director for the time being holding office pursuant to this Article 18.3 shall not be required to hold any share qualification; and
- 18.3.5 a Nominated Director (and, where applicable, his alternate), shall be entitled to disclose to Chasophie and/or its Permitted Transferees such information concerning the Company and the Group as he thinks fit.

- 18.4 Mr Ronald Millar shall be entitled to be and to continue to be a director of the Company for so long as he both remains a full time employee of the Company and holds any of the issued share capital of the Company.
- 18.5 Mr Jonathan Guthrie shall be entitled to be and to continue to be a director of the Company for so long as he both remains a full time employee of the Company and holds any of the issued share capital of the Company.
- 18.6 If both Mr Ronald Millar and Mr Jonathan Guthrie shall cease to be full time employees of the Company but they between them hold not less than 10% of the aggregate of the issued share capital of the Company they shall between them be entitled to appoint one person to be a director of the Company and of each subsidiary and each subsidiary undertaking of the Company and of each committee of the board of directors of the Company and of each subsidiary and each subsidiary undertaking of the Company (any director appointed in accordance with this Article 18.6 being a **Nominated Director**). In relation to such rights the following provisions shall have effect:
- 18.6.1 any such appointment shall be effected by notice in writing to the relevant Group Company signed by the person or persons entitled to exercise the right who may in like manner at any time and from time to time remove from office any director so appointed and appoint any person in place of any director so removed or otherwise vacating office;
- 18.6.2 each such appointment and removal shall take effect forthwith upon such notice being received by the Company and the provisions of Regulation 76 shall be read subject to this Article 18.6;
- 18.6.3 only the Ordinary Shares held by Mr Ronald Millar and Mr Jonathan Guthrie and/or their Permitted Transferees shall confer upon the holders thereof the right to vote upon any resolution pursuant to section 303 of the Act for the removal of any Nominated Director for the time being holding office pursuant to this Article 18.6;
- 18.6.4 a Nominated Director for the time being holding office pursuant to this Article 18.6 shall not be required to hold any share qualification; and
- 18.6.5 a Nominated Director (and, where applicable, his alternate), shall be entitled to disclose to Mr Ronald Millar (if he is a shareholder of the Company) and Mr Jonathan Guthrie (if he is a shareholder of the Company) and/or their Permitted Transferees such information concerning the Company and the Group as he thinks fit.

NUMBER OF DIRECTORS

19. The maximum number of directors (including the Nominated Directors but excluding alternate directors) shall be eight. The minimum number of directors shall be two.

ALTERNATE DIRECTORS

20. A director (other than an alternate director) may appoint any other director or any other person who, in the reasonable opinion of the directors, is suitably qualified and experienced and is willing to act, to be an alternate director and may remove from office an alternate director so appointed.
21. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
22. Any director of the Company who is appointed an alternate director shall be entitled to vote at a meeting of the directors on behalf of the director so appointing him as distinct from the vote to which he is entitled in his own capacity as a director of the Company and shall also be considered as two directors for the purpose of making a quorum of directors unless he is the only director present.
23. The directors may hold meetings by telephone and the provisions of these Articles shall apply, *mutatis mutandis*, to any such meeting.

RETIREMENT BY ROTATION

24. The directors shall not be liable to retire by rotation and the words "by rotation or otherwise" and "and deemed to have been reappointed" in Regulation 67, "other than a director retiring by rotation" in regulation 76, "(other than a director retiring by rotation at the meeting)" in Regulation 77, "and may also determine the rotation in which any additional directors are to retire" in Regulation 78 and "and shall not be taken into account in determining the directors who are to retire by rotation at the meeting" and the last sentence of Regulation 79 and the last sentence of Regulation 84 shall not apply to the Company.

BORROWING POWERS

25. Subject to the provisions of the Shareholders' Agreement the directors may exercise all powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present or future) and uncalled capital and, subject to that Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

INDEMNITY

26. Every director, alternate director, manager, Secretary and other officer (and the Auditors) shall, to the extent permitted by the Act, be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which they may sustain or incur in or about the execution of their respective offices or otherwise in relation thereto (including, without limitation, any liability which any of them may incur in defending proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by such person as an officer or employee of the Company and in which judgment is given in his favour or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in

which relief is granted to him by the Court). The directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or Auditors of the Company, or any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has an interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.