

Company No. 01771361

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

THE HUDDERSFIELD TOWN ASSOCIATION FOOTBALL CLUB LIMITED

Pursuant to section 288 of the Companies Act 2006 (**CA 2006**) I, being the sole eligible member (as defined by section 289 CA 2006) of the Company for this purpose, signify my agreement to and pass the following written resolution as a special resolution of the Company:

SPECIAL RESOLUTION

That the articles of association in the attached form be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the Company's existing articles of association.

Signature:

Name: Dean Hoyle

Date:

3 July 2019

Signature:

Name: Dean Hoyle (acting by his attorney Pure Sports Consultancy Limited, pursuant to a power of attorney dated , acting by a director)

Date:

SATURDAY



A8AKEGUP
A12 27/07/2019 #307
COMPANIES HOUSE

Company No. 01771361

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Signature:

Name: Dean Hoyle

Date:

Signature: 

Name: Dean Hoyle (acting by his attorney Pure Sports Consultancy Limited, pursuant to a power of attorney dated 3rd July 2019, acting by a director)

Date: 3rd July 2019

EXPLANATORY STATEMENT

(This explanatory statement is not part of any proposed written resolution.)

- 1 This document is proposed by the sole director of the Company.
- 2 This document is sent to the sole eligible member on *3 July* 2019
(**Circulation Date**).
- 3 If you wish to signify agreement to this document, please follow the procedure below:
 - (a) You (or someone acting on your behalf) must sign, must print your name beneath the signature (if it is not already printed) and must date this document.
 - (b) If that signatory is signing this document under a power of attorney or other authority, please send a certified copy of the relevant power of attorney or authority when returning this document.
 - (c) Please hand the signed document to any director of the Company in person or return the document to the Company.
- 4 Please note that it is not possible to withdraw your consent once this document, signed by you or on your behalf, has been duly received.
- 5 To be valid, this document must be received no later than the end of the period of 28 days beginning on the Circulation Date, otherwise it will lapse.

Company No. 01771361

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

THE HUDDERSFIELD TOWN ASSOCIATION FOOTBALL CLUB LIMITED

On 3 July 2019 the following special resolution was duly passed as a written resolution of the Company pursuant to section 288 of the Companies Act 2006:

SPECIAL RESOLUTION

That the articles of association in the attached form be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the Company's existing articles of association.

DRx
Director

Company No. 01771361

The Companies Act 2006

Private Company Limited by Shares

ARTICLES OF ASSOCIATION

of

THE HUDDERSFIELD TOWN ASSOCIATION FOOTBALL CLUB LIMITED

(Adopted by special resolution passed on

3 July 2019)

1 Application of the Model Articles

1.1 The model articles of association for private companies contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (Model Articles) as in force at the date of adoption of these Articles shall apply to the Company, save insofar as they are excluded or modified by, or are inconsistent with, the following Articles.

1.2 In these Articles, reference to a particular Model Article is to that article of the Model Articles.

2 Definitions and Interpretation

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

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

Auditors means the auditors of the Company from time to time

Bankrupt means a person who (i) petitions for his own bankruptcy or is declared bankrupt, or (ii) applies for an interim order under the Insolvency Act 1986, or (iii) makes a proposal for the adoption of a voluntary arrangement under the Insolvency Act 1986, or (iv) seeks a compromise of his debts with his creditors or any substantial part of his creditors, or (v) takes any action or proceeding in any Jurisdiction that has an effect equivalent or similar to any of the actions mentioned in (i) to (iv)

Board means the board of directors from time to time of the Company

Business Day any day other than a Saturday, a Sunday or any other day which is a public holiday in England

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

Company means The Huddersfield Town Association Football Club Limited (number 01771361), whose registered office is at The John Smith's Stadium, Stadium Way, Leeds Road, Huddersfield, West Yorkshire, HD1 6PX.

Conflict Situation means a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including in relation to the exploitation of any property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself, but excluding a situation which could not reasonably be regarded as likely to give rise to a conflict of interest

Directors means the directors of the Company from time to time (and **Director** shall be construed accordingly)

Dragging Shareholders has the meaning given to it in Article 17.1

Encumbrance means any claim, mortgage, lien, pledge, charge, encumbrance, hypothecation, trust, right of pre-emption or any other restriction on third party right or interest (legal or equitable) or any other security interest of any kind however created or arising (or any agreement or arrangement to create any of them)

Excess Shares has the meaning given to it in Article 11.2

Group means the Company and all its subsidiaries and subsidiary undertakings for the time being and **member of the Group** and **Group Company** will be construed accordingly

Model Articles has the meaning set out in Article 1.1

Ordinary Shares means the ordinary shares of £0.10 each in the capital of the Company and the ordinary share of £0.05 each in the capital of the Company

Patient means a person who lacks capacity as defined in Mental Capacity Act 2005 section 2

Permitted Transfer has the meaning given to it in Article 14.1

Permitted Transferee means a person to whom a Permitted Transfer has been, or may be, made

Relevant Shareholder means a holder of Ordinary Shares to whom a Sale Notice is given

Sale means the sale of more than 50% in number of the Ordinary Shares to a single buyer or to one or more buyers as part of a single transaction or a series of connected transactions (other than a sale to one or more Permitted Transferees)

Sale Shares means all Shares comprised in a Sale Notice

Sale Notice means an irrevocable notice to an Ordinary Shareholder notifying them that they are, with immediate effect, deemed to have offered all of their Sale Shares for sale, and will:

- (a) specify:
 - (i) the number and class of Sale Shares to which the notice relates;
 - (ii) the person(s) to whom the Sale Shares are being offered for sale pursuant to Article 15.4; and
 - (iii) the proposed Sale Price; and
- (b) constitute the Company as the agent of the Relevant Shareholder to whom the Sale Notice is being sent (or other holder of that Relevant Shareholder's Sale Shares) for the sale of the Sale Shares on the terms of Article 15,

and for the avoidance of doubt, a Sale Notice may be served on one or more occasions if the first and subsequent notices do not relate to all of the Sale Shares

Sale Price has the meaning given in Article 15.3

Share means a share (of any class) in the capital of the Company

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

Shareholders' Agreement means any one or more written agreements relating to the Company and to which the Company and some or all of its Shareholders are a party, and expressly stated on its face to be a Shareholders' Agreement for the purposes of these Articles, as any such agreement is amended, waived, restated, modified or supplemented from time to time

Specified Shares has the meaning set out in Article 16.1

Tag Along Sellers has the meaning set out in Article 16.1

The Football Association Limited means The Football Association Limited, being the governing body of Association Football in England

Third Party Buyer has the meaning set out in Article 17.1

Transfer Event has the meaning set out in Article 15.1

Transfer Member has the meaning give to it in Article 15.1

Unanimous Shareholder Consent means the consent/approval of all of the Shareholders

Valuer has the meaning given to it in clause 15.12

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

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

- (a) words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;
- (b) reference to a statute or a statutory provision includes reference to:
 - (i) the statute or statutory provision as modified or re-enacted or both from time to time; and
 - (ii) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above);
- (c) reference to an Article is to a provision of these Articles;
- (d) reference to a transfer of Shares or any similar expression will be deemed to include (without limitation):
 - (i) any sale or other disposition of the legal or equitable interest in a Share (including any voting right attached to a Share) (Interest);
 - (ii) the creation of any Encumbrance over any Interest;
 - (iii) any direction by a Shareholder entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself;
 - (iv) any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Shareholder entitled to any such Share; and
 - (v) any of the above in relation to the shares in the capital of any company or other body corporate which holds Shares (directly or indirectly) in the capital of the Company;

- (e) reference to a group undertaking means, in relation to any undertaking, its holding company (if any) and its subsidiaries (as such terms are defined by sections 1159 and 1161 of the CA 2006) and any other subsidiaries of its holding company; and
 - (f) reference to written or in writing includes any method of representing or reproducing words in a legible form.
- 2.4 The headings in these Articles are included for convenience only and do not affect the meaning of these Articles.
- 2.5 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.

3 General Provisions

- 3.1 The Shareholders and the Directors of the Company shall so exercise their rights, powers and duties and shall where appropriate use their best endeavours to ensure that others conduct themselves so that the business and affairs of the Company are carried out in accordance with the rules and regulations of The Football Association Limited for the time being in force.
- 3.2 No proposed alteration to the provisions set out herein shall be effective unless the proposed alteration has been approved in writing by The Football Association Limited 14 days or more before the day on which the alteration is proposed to take place.
- 3.3 The office of a Director shall be vacated if such person is subject to a decision of The Football Association Limited that such person be suspended from holding office or from taking part in any football activity relating to the administration or management of a football club.
- 3.4 The Company shall not alter its constitution or make a material change to its financial structure without prior notification to The Football Association Limited.
- 3.5 For the purposes of Article 3.4, an alteration in constitution or material change in financial structure shall include such as winding-up of the Company, an agreement by which all the assets and goodwill of the Company are sold or transferred, entry into compulsory or voluntary liquidation, the convening of a meeting of creditors or the appointment of a receiver, administrative receiver, manager or administrator or if the Company ceases for any reason to carry on business or becomes a holding company or subsidiary company within the meaning of the CA 2006.

4 Share Capital

The issued share capital of the Company at the date of the adoption of these Articles is £7,125,000 divided into 69,166,667 Ordinary Shares of £0.10 each and 4,166,666 Ordinary Shares of £0.05 each.

5 Powers to Issue Different Classes of Share

- 5.1 Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue Shares with the rights and restrictions set out in these Articles and any other shares with such rights or restrictions as may be determined by Unanimous Shareholder Consent (including for the avoidance of doubt, rights to income and/or capital ranking in priority, *pari passu* or otherwise to any other class of Shares).
- 5.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder.

6 Classes of Shares

The share capital of the Company at the Adoption Date comprises Ordinary Shares, which for the avoidance of doubt are non-redeemable shares.

7 Dividends

Any dividend declared will require Unanimous Shareholder Consent and (subject to such consent being obtained) will be distributed *pari passu* amongst the holders of the Ordinary Shares.

8 Return of Capital other than a Winding Up

8.1 Subject to Article 9, on a Sale or return of capital to the Shareholders or otherwise, the total of all and any form of consideration received or receivable by the Shareholders at any time in respect of the Shares held by them shall be allocated between them so as to ensure the total of all or any form of consideration received or receivable by them will be applied in the following manner and order of priority:

- (a) first, in paying to the holders of the Shares *pro rata* to the number of Shares held by them, all unpaid arrears and accruals of dividends and other distributions declared on the Shares;
- (b) secondly, in paying to the holders of the Shares, *pro rata* to the number of Shares, respectively held by them, the nominal value of the Shares; and
- (c) lastly, in paying the holders of the Shares the excess (if any) above the amounts paid under Article 8.1(a) and 8.1(b) (inclusive) *pro rata* to the number of Shares respectively held by them.

9 Winding Up

- 9.1 On the winding-up of the Company, the surplus assets shall be applied, first, in repaying the holders of the Shares the amount paid on their Shares respectively. If such assets are insufficient to repay the said amount in full, they shall be applied rateably, so that the loss shall fall upon the Shareholders in proportion to the amount called up on the Shares held by them respectively. No Shareholder shall be entitled to have any call upon other Shareholders for the purpose of adjusting the Shareholders' rights; but where any call has been made and has been paid by some of the Shareholders such call be enforced against the remaining Shareholders for the purpose of adjusting the rights of the Shareholders between themselves.
- 9.2 If the surplus assets shall be more than sufficient to pay to the Shareholders the whole amount paid upon their Shares, the balance shall be given by the Shareholders, at or before the time of dissolution as they shall direct, to The Football Association Benevolent Fund, or to some club or institute in the town of Huddersfield having objects similar to the Company or to any local charity, or charitable or benevolent institution situate within the town of Huddersfield.
- 9.3 In default of any such decision or apportionment by the Shareholders, the same to be decided upon and apportioned by a Judge of the High Court of Justice having jurisdiction in such winding-up or dissolution and as he shall determine.
- 9.4 Alternatively such balance may be disposed of in such other manner as the Members of the Club may, with the written consent of The Football Association Limited, determine.

10 Voting

Each Ordinary Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company:

- (a) on a show of hands, every Shareholder holding one or more Share who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy, shall have one vote;
- (b) on a poll, every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every Share of which he is the holder; and

to receive a copy of every written resolution and every Shareholder holding one or more Share as at the time on which the first copy of the resolution is sent or submitted to such Shareholder in accordance with Chapter 2 of Part 13 of the CA 2006, shall have one vote for every Share of which he is the holder.

11 New Issues of Shares

- 11.1 No Shares may be allotted by the Company unless they are first offered to all holders of Shares in proportion (as nearly as possible without involving fractions) to the numbers of Shares held by them on the same terms and at the same price as the Shares being offered to other persons on a pari passu and pro rata basis to the number of shares (as if they constituted one class of share) held by the current holder.
- 11.2 An offer under Article 11.1 will be open for acceptance for at least 21 days after notice of it is given to the Shareholders and in respect of such offer Shareholders who accept all the Shares offered to them (**acceptors**) will be entitled to indicate whether they would accept shares not accepted by other offerees (**Excess Shares**), and any such Excess Shares will be allotted to such acceptors in the numbers in which they have been accepted by such acceptors or, if the number of Excess Shares is insufficient for all such acceptors to be allocated all the Excess Shares they have indicated they would accept, then the Excess Shares will be allocated as nearly as practicable in the proportion that the number of Excess Shares each such acceptor has indicated he would accept bears to the aggregate number of Excess Shares applied for by all such acceptors.
- 11.3 Article 11.2 will also apply (with the necessary changes) to the grant of any right to subscribe for Shares of any class.
- 11.4 Nothing in this Article 11 will:
 - (a) permit any allotment without any consent required under any Shareholders' Agreement; or
 - (b) confer on any person any right or expectation to receive any pre-emptive or other offer of new Shares.

12 All Shares to be fully paid up

No Share is to be issued other than fully paid.

13 Share transfers

13.1 Subject only to Article 13.2, the Directors shall register promptly any transfer of Shares made in accordance with Articles 14, 15, 16 and 17 (to the extent applicable), but shall refuse to register any transfer of Shares not so made.

13.2 The Directors may refuse to register the transfer of a Share if:

- (a) the transfer is not lodged at the Company's registered office or such other place as the Directors have appointed;
- (b) the transfer is not accompanied by the certificate for the Shares to which it relates, or such other evidence as the Directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
- (c) the transfer is in respect of more than one class of Share;
- (d) the transfer is in favour of more than four transferees; or
- (e) the transfer is in favour of a person under the age of 18, a Bankrupt or a Patient.

13.3 If the Directors refuse to register the transfer of a Share, they shall:

- (a) send to the transferee notice of refusal, together with the reasons for the refusal, as soon as practicable and in any event within two months of the date on which the instrument of transfer was lodged with the Company; and
- (b) return the instrument of transfer to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

13.4 Model Article 26(5) shall not apply.

14 Permitted Transfers

14.1 Any Shares may at any time be transferred (**Permitted Transfer**):

- (a) by a personal representative or trustee entitled to shares in consequence of the death or bankruptcy of an individual member to a widow or widower of, or a surviving civil partner of, that individual member; or
- (b) by any member pursuant Article 15;
- (c) pursuant to Article 16 or Article 17; or
- (d) as permitted by and in accordance with the terms of, any Shareholders' Agreement.

15 Compulsory Transfers

15.1 A **Transfer Event** will occur, in relation to any Ordinary Shareholder (the **Transfer Member**) if that Ordinary Shareholder being a body corporate:

- (a) has a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets;
- (b) appoints or suffers the appointment of an administrator appointed in relation to it;

- (c) enters into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction);
 - (d) has any equivalent action in respect of it taken in any jurisdiction outside England and Wales; or
 - (e) ceases to be within the control (as that term is defined by section 1124 of the Corporation Tax Act 2010) of the person(s) who controlled the member on the date on which it became a Member or on the Adoption Date (whichever is later),
- and, within the following six months, any other Shareholder notifies the Company that such event is a Transfer Event in relation to that Ordinary Shareholder.
- 15.2 Upon the receipt of notification from any other Shareholder under Article 15.1, the Board will, within a period of 5 Business Days, circulate a Sale Notice to the relevant Transfer Member.
- 15.3 The Sale Shares will be offered for purchase in accordance with this Article 15 at a price per Sale Share (**Sale Price**):
- (a) agreed between the relevant Transfer Member and the Board within a period of 15 Business Days after the Sale Notice has been given; or
 - (b) in the absence of agreement, or if the Board so elects, in accordance with Articles 15.10 to 15.13.
- 15.4 The Board will, at least 10 Business Days before and no more than 20 Business Days after the Sale Price has been agreed or determined give a notice to the holders of Ordinary Shares (other than the Transfer Member) (**Offer Notice**) offering to them the opportunity to purchase the Sale Shares and setting a date for acceptance of such offer, being a date which shall be no earlier than 10 Business Days after and no later than 20 Business Days after the date of the Offer Notice.
- 15.5 In the event that none of the persons listed in Article 15.4 accept the offer of the Sale Shares the Board may notify the relevant Transfer Member in writing that such Transfer Member will;
- (a) not be entitled to receive notice of or attend at, and will have no voting rights at, general meetings of the Company, or to receive or to have any voting rights in respect of any written resolutions of the Company;
 - (b) not be counted as a holder of Shares for the purposes of calculating whether the consent of any proportion of the holders of Shares (or of Shares of a particular class) has been obtained for the purposes of these Articles;
 - (c) be deemed to have automatically and irrevocably waived and released (and irrevocably undertakes not to exercise) any voting rights attaching to their Shares;
 - (d) not be entitled to receive or benefit from any distribution of profits made by the Company; and
 - (e) not be entitled to participate in any offer pursuant to Article 11 (New Issues of Shares),
- in each case in respect of such number of the Shares held by them as is specified in the written notice (including any Shares received by them after the date of the Transfer Event by way of rights issue or on a capitalisation of those Shares), on and from the date of the relevant Transfer

- Event until the entry in the register of members of the Company of another person as the holder of those Shares.
- 15.6 The Board will, within 5 Business Days of the expiry date of the Offer Notice, give notice in writing (**Allocation Notice**) to the Relevant Shareholder and to each person to whom Sale Shares have been allocated specifying the name and address of each person to whom Sale Shares have been allocated, the number and class of Sale Shares agreed to be purchased by him, the aggregate price payable by him for them and the date and time for completion (being no earlier than 5 Business Days nor later than 15 Business Days after the later of (i) the date of service of the Allocation Notice, or (ii) if any consents are required prior to completion of the purchase of the Sale Shares, the date that the last of such consents is received in a form satisfactory to the Company).
- 15.7 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice will take place at the registered office of the Company on the date and at the time specified in the Allocation Notice when each Shareholder holding Sale Shares will, upon payment to him by a person to whom Sale Shares have been allocated, of the Sale Price, transfer those Sale Shares and deliver the relevant share certificate(s) to that person to whom Sale Shares have been allocated.
- 15.8 If a Shareholder holding Sale Shares fails for any reason (including death) to transfer any Sale Shares when required pursuant to these Articles, the Board may authorise any Director (who will be deemed by way of security to be irrevocably appointed as the attorney of the Shareholder holding Sale Shares for the purpose) to execute each necessary transfer of such Sale Shares and deliver it on behalf of the Shareholder holding Sale Shares. The Company may receive the purchase money for such Sale Shares from the person to whom Sale Shares have been allocated and will upon receipt (subject, if necessary, to the transfer being duly stamped) register the person to whom Sale Shares have been allocated as the holder of such Sale Shares. The Company will hold such purchase money in a separate bank account on trust for the Shareholder holding Sale Shares but will not be bound to earn or pay interest on any money so held. The Company's receipt for such purchase money will be a good discharge to the person to whom Sale Shares have been allocated who will not be bound to see to the application of it, and after the name of the person to whom Sale Shares have been allocated has been entered in the register of members in purported exercise of the power conferred by this Article 15.8 the validity of the proceedings will not be questioned by any person.
- 15.9 Once a Sale Notice is given in respect of any Share then no Permitted Transfer may be made in respect of such Share without Unanimous Shareholder Consent.
- 15.10 Following receipt of a Sale Notice, the Directors of the Company (other than any Directors appointed by the Relevant Shareholder, and other than any Director connected with the Relevant Shareholder (within the meaning of ss 1122-1123 Corporation Tax Act 2010) shall seek to agree the Sale Price with the Relevant Shareholder. In the event that the Sale Price is not agreed within 14 days of receipt of the Sale Notice by the Company, the Sale Price shall be the price determined by the Auditors (at the request of the Company), acting as experts and not as arbitrators, on the following basis:
- (a) by determining the market value which is in the opinion of the Auditors the amount which a willing purchaser would offer to a willing vendor at arm's length for all of the Shares as at the date of receipt of the Sale Notice by the Company (or, as the case may be, the date on which the Sale Notice is deemed to be given);
 - (b) by dividing the resultant figure by the number of Shares in issue;

- (c) making no adjustment to reflect any premium or discount arising in relation to the size of the holding of shares the subject of the Sale Notice or in relation to any restrictions on the transferability of those Shares.
- 15.11 The professional fees and expenses of the Auditors shall be borne in equal shares by the Company and the Relevant Shareholder.
- 15.12 If the Auditors decline to act, the Sale Price shall be the price determined by an experienced valuer (**Valuer**), nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales, on the application of the Company and appointed by, and at the expense of, the Company, The Valuer shall act as expert and not as arbitrator and shall determine the Sale Price on the same basis as required of the Auditors under Article 15.10. The Company shall procure that the Valuer is given all such assistance and access to all such information in its possession or control as the Valuer may reasonably require in order to determine the Sale Price.
- 15.13 The determination of the Sale Price by the Auditors or, as the case may be, the Valuer shall, in the absence of manifest error, be final and binding on the Company and the Relevant Shareholder.
- 15.14 In the event that none of the persons listed in Article 13.4 accept the offer of the Sale Shares the Board may offer the Sale Shares for sale to a third party of the Board's choosing and will notify the Transfer Member in writing that such Transfer Member must transfer the Sale Shares to such third party. The price for the Sale Shares will be determined in accordance with Article 13.10.
- 15.15 In the event that a sale of the Sale Shares has not completed within 6 months of the date at which the Board have the power to offer the Sale Shares to third parties in accordance with Article 13.14, the provisions of Article 13.5 shall cease to apply to the Sale Shares.

16 Tag Along Rights

- 16.1 No sale or other disposition of more than 50 per cent. of the Shares (**Specified Shares**) by a Shareholder or Shareholders (as the case may be) (**Tag Along Seller(s)**) to any person(s) other than a Permitted Transferee will have effect unless before the transfer (**Tag Along Sale**) is lodged for registration the Third Party Buyer has made a bona fide offer in accordance with these Articles to purchase at the Tag Sale Price either (a) all of the Shares held by Shareholders who are not acting in concert or otherwise connected with the Third Party Buyer; or (b) such proportion of the Shares held by Shareholders who are not acting in concert or otherwise connected with the Third Party Buyer equal to the pro rata portion that the Tag Along Shares proposed to be sold by the Tag Along Seller(s) as set out in the Tag Along Notice represent of the Tag Along Seller's holding of the Shares (**Uncommitted Shares**) subject to and in accordance with this Article 16. The holders of the Uncommitted Shares shall specify to the Third Party Buyer whether the Third Party Buyer is required to offer to purchase all of their Shares or such pro rata portion set out at (b) in the preceding sentence in this Article 16.1.
- 16.2 An offer made under Article 16.1 (**Tag Along Notice**) will be made in writing not less than 20 days prior to any proposed Tag Along Sale pursuant to this Article 16 and will set out:
 - (a) the total number of Shares to be sold to the Third Party Buyer and the aggregate number of Uncommitted Shares up to which the other Shareholders may Transfer pursuant to Article 16.1 (**Total Uncommitted Shares**);

- (b) the type and amount of consideration to be paid by the Third Party Buyer for each Share;
 - (c) details of the person who has expressed an interest in acquiring any Shares; and
 - (d) all other material terms and conditions of such transaction, or confirmation that there are none.
- 16.3 If a Shareholder exercises its Tag-Along Right pursuant to this Article 16 (in such event, a **Tagging Member**), the Tagging Member will notify the Tag Along Seller(s) within 15 days following the date of the Tag Along Notice that it wishes to exercise its Tag Along Right and, at the Tag Along Seller's request, not less than two Business Days prior to the proposed transfer, the Tagging Member will deliver to the Tag Along Seller(s) all documents (if any) required to be executed in connection with such transaction which will be on the terms required by this Article 16. Pending consummation of the Tag Along Sale, the Tag Along Seller(s) will promptly notify the Tagging Member of any changes in the proposed timing for the Tag Along Sale and any other material developments in connection with it.
- 16.4 Subject to Article 16.7, if the Tag Along Sale has not been completed within 60 days following the date of the Tag Along Notice, the Tag Along Seller(s) will promptly return to the Tagging Member all documents (if any) previously delivered by the Tagging Member to the Tag Along Seller(s), and all the restrictions on transfer contained in these Articles with respect to Shares held or owned by the Tag Along Seller(s) and such Tagging Member will again be in effect.
- 16.5 The Tag Along Seller(s) will furnish or will procure that the Third Party Buyer furnishes such evidence of completion of such Tag Along Sale as may be reasonably requested by any Tagging Member.
- 16.6 If the Tagging Member properly exercises its Tag Along Right:
 - (a) the sale of its Uncommitted Shares in the Tag Along Sale will occur concurrently with the sale by the Tag Along Seller(s) of its Shares in the Tag Along Sale;
 - (b) subject to Article 16.8, such Tagging Member will receive for its Uncommitted Shares the consideration per Share payable to such Tagging Member following the application of the provisions of Article 8 to determine how the aggregate proceeds to be received by the Tag Along Seller(s) and the Tagging Member shall be allocated between them; and
 - (c) such Tag Along Sale will otherwise be on the same terms and conditions upon which the Tag Along Seller(s) is selling its Shares in such Tag Along Sale, provided that each Tagging Member will only be required to give warranties as to their own title to shares and their own capacity to sell such shares and shall not incur any further liability in relation to such Tag Along Sale.
- 16.7 If the Tag Along Sale is subject to any prior regulatory approval, the 60 day period during which the Tag Along Sale may be consummated as set out in Article 16.4 will be extended until the expiration of five Business Days after all such approvals have been received, and provided further that such time period will not exceed 120 days from the date of the Tag Along Notice without the consent of both the Tag Along Seller(s) and each Tagging Member.
- 16.8 The Tag Along Seller shall not serve a Tag Along Notice unless the price to be paid or payable to the Tagging Member as a consequence of the sale of any Uncommitted Shares held by them to a Third Party Buyer exceeds £1,667,000.

- 16.9 For the avoidance of doubt, no Transfer of Shares by a Shareholder pursuant to this Article 16 will be permitted and the Dragging Shareholders will not be obliged to deliver a Tag Along Notice, if a Dragging Shareholders has served a Drag-Along Notice pursuant to Article 17 (Drag Along Rights).

17 Drag Along Rights

- 17.1 If a Shareholder proposes to transfer Shares that represent over 50 per cent. of the entire issued share capital of the Company (the **Dragging Shareholder**) to a bona fide third party on arm's length terms (**Third Party Buyer**), the Dragging Shareholder will have the option (**Drag Along Option**) to require any or all of the other holders of Shares to transfer all their Shares (**Dragged Shares**) with full title guarantee to the Third Party Buyer or as the Third Party Buyer will direct in accordance with this Article 17 (**Drag Exit**).
- 17.2 The Dragging Shareholders may exercise the Drag Along Option at any time before the registration of the transfer of the Shares in the Company held by the Dragging Shareholders by giving notice to that effect (**Drag Along Notice**) to all other Shareholders (**Called Shareholders**). A copy of the Drag Along Notice will, for information only, also be given to the Company at its registered office (but any failure or delay in giving such copy will in no way prejudice the operation of this Article 17).
- 17.3 A Drag Along Notice will:
- (a) specify that the Called Shareholders are required to transfer all their Dragged Shares in the Company pursuant to Article 17.1 to the Third Party Buyer;
 - (b) set out the material terms and conditions of the Drag Exit including:
 - (i) the Drag Sale Value;
 - (ii) the consideration for the Dragged Shares;
 - (iii) the proposed date of transfer (if known); and
 - (iv) the identity of the Third Party Buyer; and
 - (c) be accompanied by copies of all documents required to be executed by the Called Shareholders to give effect to the Drag Exit, as the case may be.
- 17.4 The consideration offered to the Called Shareholders shall be in the same form as that offered to the Dragging Shareholders, with such consideration being paid at the same time and being subject to the same payment terms as apply to the offer from the Third Party Buyer to the Dragging Shareholders and, if the consideration being offered to the Dragging Shareholders comprises different forms of consideration (or a right to elect for different forms), the different forms of consideration (or right to elect as applicable) shall be offered to the Called Shareholders to the same extent, provided that (i) the Third Party Buyer shall be entitled to offer a cash consideration of equivalent value to any non-cash consideration; and (ii) on the date of the Transfer, the provisions of Article 8 shall apply to determine how the aggregate proceeds to be received by the Dragging Shareholders and the Called Shareholders shall be allocated between them.
- 17.5 Without prejudice to Article 17.4 above, the Drag Exit will be on the same terms and conditions as has been agreed between the Dragging Shareholders and the proposed Third Party Buyer provided that the Called Shareholders will only be obliged to give warranties as to their own

- title to shares and their own capacity to sell such shares and shall not incur any further liability in relation to such Drag Exit.
- 17.6 Each Called Shareholder, upon receipt of the Drag Along Notice, will be obliged to:
- (a) sell all of their Dragged Shares, and participate in the Drag Exit; and
 - (b) in respect of any Shares owned, vote their Shares in favour of the Drag Exit at any meeting of Members called to vote on or approve the Drag Exit and/or consent in writing to the Drag Exit.
- 17.7 Subject to Article 17.8, if following the 60th day from the date of the Drag Along Notice the Dragging Shareholders have not completed the proposed transaction, the Drag Along Notice will cease to be of effect and each Called Shareholder will be irrevocably released from such obligations under the Drag Along Notice.
- 17.8 If the transaction proposed by the Drag Along Notice is subject to any prior regulatory approval, the 60 day period set out above will be extended until the expiration of five Business Days after all such approvals have been received, and provided further that such time period will not exceed 120 days from the date of the Drag Along Notice without the consent of both the Dragging Shareholders and each Called Shareholder.
- 17.9 Without prejudice to the provisions of Article 16, a Drag Along Notice may be revoked by the Dragging Shareholders at any time prior to completion of the sale of the Dragged Shares and any such revocation notice will be served in the manner prescribed for a Drag Along Notice in Article 17.2
- 17.10 Completion of the sale of the Dragged Shares will take place on the same date as the date of actual completion of the sale of those Shares held by the Dragging Shareholders unless all of the Called Shareholders and the Dragging Shareholders agree otherwise.
- 17.11 Each Called Shareholder will on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Dragging Shareholders severally to be his attorney to execute any stock transfer and covenant for full title guarantee in respect of the Dragged Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Dragged Shares pursuant to this Article 17.
- 17.12 The Dragging Shareholder shall not serve a Drag Along Notice unless the price to be paid or payable to the Called Shareholder as a consequence of the sale of any Drag Shares held by them to a Third Party Buyer exceeds £1,667,000.
- 17.13 The provisions of this Article 17 will prevail over any contrary provisions of these Articles. Any Sale Notice served in respect of any Share which has not been allocated in accordance with Article 15 (Compulsory transfers) will automatically be revoked by the service of a Drag Along Notice.
- 17.14 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Shares pursuant to the exercise of pre-existing option to acquire Shares in the or otherwise, a Drag Along Notice, on the same terms as the previous Drag Along Notice, will be deemed to have been served upon such Shareholder immediately upon such acquisition and such person will thereupon be bound to sell and transfer all such Shares acquired by him to the Third Party Buyer or as the Third Party Buyer may direct and the provisions of this Article 17 will apply mutatis mutandis to such Shareholder save that completion of the sale of such Shares will take

place immediately upon the Drag Along Notice being deemed served on such Shareholder or, if later, upon the date of completion under the previous Drag Along Notice.

18 Directors to take Decisions Collectively

18.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 19. Each Director present shall have one vote.

18.2 If:

(a) the Company only has one Director; and

(b) no provision of the Articles requires it to have more than one Director,

the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making including, for the avoidance of doubt, Article 22.

18.3 Model Article 7 shall not apply.

19 Unanimous Decisions

19.1 Model Article 8(2) shall apply as if the words "copies of which have been signed by each eligible Director" were deleted and replaced with the words "of which each eligible Director has signed one or more copies".

19.2 References in Model Article 8 and in this Article 19 to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but exclude in respect of the authorisation of a Conflict Situation, the Director subject to that Conflict Situation) Model Article 8(3) shall not apply.

20 Quorum for Directors' Meetings

20.1 The quorum for a meeting of the Board (including adjourned meetings) will be two Directors.

20.2 For the purposes of any meeting of the Board (or part of a meeting) at which it is proposed to authorise a Conflict Situation in respect of one or more Directors, if there is only one Director in office other than the Director or Directors subject to the Conflict Situation, the quorum for such meeting (or part of a meeting) shall be one Director.

21 Casting Vote

Subject always to any consent required under any Shareholders' Agreement, in the case of an equality of votes, the chairman shall have a second or casting vote. Model Article 13 shall not apply.

22 Authorisation of Directors' Conflicts Of Interest

If a Conflict Situation arises, the Directors may authorise it for the purposes of s 175(4)(b) of the CA 2006 by a resolution of the Directors made in accordance with that section and these Articles. At the time of the authorisation, or at any time afterwards, the Directors may impose any limitations or conditions or grant the authority subject to such terms which (in each case) they consider appropriate and reasonable in all the circumstances. Any authorisation may be revoked or varied at any time in the discretion of the Directors.

23 Directors Voting and Counting in the Quorum

23.1 Save as otherwise specified in these Articles or the CA 2006 and subject to any limitations, conditions or terms attaching to any authorisation given by the Directors for the purposes of s175(4)(b) of the CA 2006, a Director may vote on, and be counted in the quorum in relation to any resolution relating to a matter in which he has, or can have:

- (a) a direct or indirect interest or duty which conflicts, or possibly may conflict, with the interests of the Company; and
- (b) a conflict of interest arising in relation to an existing or a proposed transaction or arrangement with the Company.

23.2 Model Article 14 shall not apply.

24 Directors' Remuneration and Other Benefits

24.1 A Director may undertake any services for the Company that the Directors decide.

24.2 A Director is entitled to such remuneration as the Directors decide (i) for his services to the Company as Director, and (ii) for any other service which he undertakes for the Company provided that such remuneration may reasonably be considered to be on arm's length terms.

24.3 Subject to the Articles, a Director's remuneration may (i) take any form, and (ii) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

24.4 Unless the Directors decide otherwise, a Director's remuneration accrues from day to day.

24.5 Unless the Directors decide otherwise, no Director is accountable to the Company for any remuneration or other benefit which he receives as a Director or other officer or employee of any of the Company's subsidiary undertakings or of any parent undertaking of the Company from time to time or of any other body corporate in which the Company or any such parent undertaking is interested.

24.6 Model Article 19 shall not apply.

25 Quorum for General Meetings

25.1 If the Company has more than one member, the quorum for a general meeting shall be two members present in person or by proxy or representative.

25.2 If the Company has only one member, section 318 of the CA 2006 shall apply.

26 Poll Votes

Polls must be taken when, where and in such manner as the chairman of the meeting directs. Model Articles 44(1)(a), 44(2)(b) and 44(4) shall not apply.

27 Delivery of Proxy Notices

27.1 Any notice of a general meeting must specify the address or addresses (proxy notification address) at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

- 27.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 27.3 Subject to Articles 27.4 and 27.5, a proxy notice must be delivered to a proxy notification address not less than 24 hours before the general meeting or adjourned meeting to which it relates.
- 27.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.
- 27.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered:
- (a) in accordance with Article 27.3; or
 - (b) at the meeting at which the poll was demanded to the chairman of the meeting, company secretary (if any) or any Director.
- 27.6 The Directors may, in their sole discretion, determine from time to time that in calculating the periods referred to in Articles 27.3 and 27.4 no account shall be taken of any part of a day that is not a working day.
- 27.7 A proxy notice which is not delivered in accordance with Articles 27.3, 27.4 or 27.5 shall be invalid unless the Directors, in their sole discretion, accept the proxy notice at any time before the meeting.
- 27.8 An appointment under a proxy notice may be revoked by delivering to a proxy notification address a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 27.9 A notice revoking a proxy appointment only takes effect if it is delivered before:
- (a) the start of the meeting or adjourned meeting to which it relates; or
 - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.
- 27.10 If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence, satisfactory to the Directors, of the authority of the person who signed it to do so on the appointer's behalf.
- 27.11 If more than one proxy notice relating to the same share is delivered for the purposes of the same meeting, the proxy notice last delivered shall prevail in conferring authority on the person named in the notice to attend the meeting and vote. A proxy notice in electronic form found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid.
- 27.12 Model Article 46 shall not apply.

28 Communications

- 28.1 The company communications provisions (as defined in the CA 2006) shall also apply to any document or information not otherwise authorised or required to be sent or supplied by or to a

- company under the Companies Acts (as defined in the CA 2006) but to be sent or supplied by or to the Company pursuant to these Articles.
 - (a) by or to the Company; or
 - (b) by or to the Directors acting on behalf of the Company.
- 28.2 The provisions of s 1168 of the CA 2006 (hard copy and electronic form and related expressions) shall apply to the Company as if the words "and the Articles" were inserted after the words "the Companies Acts" in ss 1168(1) and 1168(7).
- 28.3 Section 1147 of the CA 2006 shall apply to any document or information to be sent or supplied by the Company to its members under the Companies Acts or pursuant to these Articles as if:
- (a) in s 1147(2) the words "or by airmail (whether in hard copy or electronic form) to an address outside the United Kingdom" were inserted after the words "in the United Kingdom";
 - (b) in s 1147(3) the words "48 hours after it was sent" were deleted and replaced with the words "when sent, notwithstanding that the Company may be aware of the failure in delivery of such document or information";
 - (c) a new s 1147(4)(A) were inserted as follows:

"Where the document or information is sent or supplied by hand (whether in hard copy or electronic form) and the Company is able to show that it was properly addressed and sent at the cost of the Company, it is deemed to have been received by the intended recipient when delivered";
 - (d) s 1147(5) were deleted.
- 28.4 Proof that a document or information sent by electronic means was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the document or information was properly addressed as required by s 1147(3) of the CA 2006 and that the document or information was sent or supplied.
- 28.5 In the case of members who are joint holders of shares, anything to be agreed or specified by the holder may be agreed or specified by the holder whose name appears first in the register of members Schedule 5, Part 6, para 16(2) of the CA 2006 shall apply accordingly.
- 28.6 Model Article 48 shall not apply.

29 Company Seals

Model Article 49(4)(b) shall not apply.

30 Indemnities, Insurance and Funding of Defence Proceedings

- 30.1 This Article 30 shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the CA 2006. It does not allow for or provide (to any extent) an indemnity which is more extensive than is permitted by the CA 2006 and any such indemnity is limited accordingly. This Article 30 is also without prejudice to any indemnity to which any person may otherwise be entitled.
- 30.2 The Company:

- (a) may indemnify any person who is a Director of the Company; and
- (b) may indemnify any other person who is an officer (other than an auditor) of the Company,

in each case out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company by reason of his being or having been a Director or other officer of the Company.

30.3 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 (other than an auditor) of the Company or of any associated company (as defined in s 256 of the CA 2006) of the Company.

30.4 The Directors may, subject to the provisions of the CA 2006, exercise the powers conferred on them by ss 205 and 206 of the CA 2006 to:

- (a) provide funds to meet expenditure incurred or to be incurred in defending any proceedings, investigation or action referred to in those sections or in connection with an application for relief referred to in s 205; or
- (b) take any action to enable such expenditure not to be incurred.

30.5 Model Articles 52 and 53 shall not apply.