

PRINT OF RESOLUTION FOR FILING AT COMPANIES HOUSE

Company Number 07057499

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

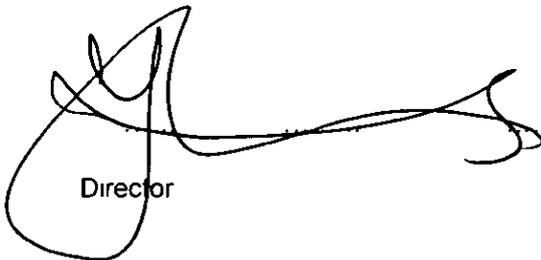
PLAYGROUND GAMES LIMITED (the "Company")

passed on 21 September 2011

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following special resolution was duly passed as a written resolution of the Company

SPECIAL RESOLUTION

That the articles of association contained in the document attached to this written resolution be adopted as the articles of association of the Company to the exclusion of, and in substitution for, the existing articles of association of the Company and (for the avoidance of doubt) to the exclusion of, and in substitution for, the relevant provisions of the memorandum of association that would otherwise be treated as provisions of the articles under section 28 of the Companies Act 2006


Director



COMPANY NUMBER: 07057499

PLAYGROUND GAMES LIMITED

ARTICLES OF ASSOCIATION

adopted by special resolution on 21.09.2011

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1	DEFINITIONS AND INTERPRETATION.	1
2	SHARE CAPITAL	4
3	DIVIDENDS	4
4	RETURN OF CAPITAL.. . . .	4
5	VOTING.....	4
6	ISSUE OF SHARES.....	5
7	TRANSFER OF SHARES - GENERAL.	5
8	PERMITTED TRANSFERS	6
9	PRE-EMPTION ON TRANSFER OF SHARES	8
10	COMPULSORY TRANSFERS	12
11	DRAG ALONG	13
12	GENERAL MEETINGS.....	15
13	APPOINTMENT AND REMOVAL OF DIRECTORS.....	15
14	PROCEEDINGS OF DIRECTORS	15
15	RESERVED MATTERS	17
16	ELECTRONIC COMMUNICATIONS	17
17	INDEMNITY.....	17
18	INSURANCE	18
19	DISPUTES	18
20	GENERAL.	18

COMPANY NUMBER. 07057499

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

PLAYGROUND GAMES

1 DEFINITIONS AND INTERPRETATION

1.1 In these Articles the following words and expressions have the following meanings unless the context otherwise requires

"acting in concert"	the meaning set out in the City Code on Takeovers and Mergers for the time being in force,
"Adoption Date"	the date of the adoption of these Articles by the Company,
"Auditors"	the auditors of the Company from time to time appointed with the consent of the Board or, if the auditors are unable or unwilling to act in connection with the reference in question, or, if auditors have not been appointed, a chartered accountant nominated by the Board,
"Board"	the board of Directors, as constituted from time to time,
"Business Day"	a day other than a Saturday or Sunday or public holiday in England and Wales,
"CA2006"	the Companies Act 2006,
"Change of Control"	the acquisition (by any means) by a Third Party Purchaser of any interest in any Ordinary Shares if, upon completion of that acquisition, the Third Party Purchaser together with any person connected with or acting in concert with that Third Party Purchaser (other than any such person who was a party to the Shareholders' Agreement on the Adoption Date or any person connected with such person) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company,
"Civil Partner"	in relation to an individual member, a civil partner as defined in the Civil Partnerships Act 2004,
"Companies Acts"	together the Companies Act 1985 and CA2006 as in force from time to time,
"Compulsory Transfer Shares"	in relation to a Relevant Member, any Ordinary Shares held by the Relevant Member at the time of the relevant Transfer Event,

"Director"	a duly appointed director of the Company from time to time and "Directors" shall be construed accordingly,
"Family Trust"	a trust which permits the settled property or the income from it to be applied only for the benefit of an individual member (the "Settlor") and/or any Privileged Relation of that Settlor and under which no power or control is capable of being exercised over the votes of any shares which are the subject of the trust, by any person other than the trustees or the Settlor or any Privileged Relations of the Settlor,
"Listing"	either <ul style="list-style-type: none"> (a) the admission of all or any part of the Shares to listing on the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange's market for listed securities, (b) the admission of all or any part of the Shares to trading on AIM, a market operated by the London Stock Exchange, or (c) the admission of all or any part of the Shares to listing and/or trading on any other Recognised Investment Exchange, and, in any such case, such admission becoming unconditionally effective,
"London Stock Exchange"	London Stock Exchange plc,
"Members"	as defined in the Shareholders' Agreement,
"Market Value"	the price per Ordinary Share determined in accordance with article 9 2 2,
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date on which these Articles become binding on the Company,
"Ordinary Share"	an ordinary share of £1 00 in the capital of the Company having the rights and being subject to
"Privileged Relation"	Civil Partner, spouse, widow or widower of the member and the Member's children and grandchildren (including legitimate, illegitimate, step and adopted children and their issue),
"Recognised Investment"	as defined in section 285(1) Financial Services and

Exchange"	Markets Act 2000,
"Relevant Member"	a Member in respect of whom the Board has notified the Company that an event shall be treated as a Transfer Event in accordance with article 10 1,
"Reserved Matters"	has the meaning given to that term in article 15 1,
"Sale"	the transfer of any interest in any Ordinary Shares (whether by one transaction or a series of transactions), other than a transfer in accordance with article 8, which results in a Change of Control,
"Shareholders' Agreement"	the shareholders' agreement dated on the Adoption Date and made between the Company and certain of the Members on that date (as amended, varied or supplemented from time to time),
"Subscription Price"	in relation to any Ordinary Share, the amount paid up or credited as paid up on such Share including the full amount of any premium at which such Share was issued,
"Third Party Purchaser"	any person who is not a party to the Shareholders' Agreement from time to time or a person connected with such a party, and
"Transfer Notice"	a notice served in accordance with article 9 that a Member wishes to transfer his Shares

1 2 These Articles and the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company

1 3 In these Articles a reference to

1 3 1 a "**subsidiary undertaking**" is to be construed in accordance with section 1162 CA2006 and a "subsidiary" or "holding company" is to be construed in accordance with section 1159 CA2006,

1 3 2 a document in the "**agreed form**" is a reference to a document in a form approved and, for the purposes of identification, signed by or on behalf of each party to such document,

1 3 3 a statutory provision includes a reference to the statutory provision as replaced, modified, superseded or re-enacted from time to time before or after the date of these Articles and any subordinate legislation made under the statutory provision before or after the date of these Articles,

1 3 4 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal

personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists), and

1 3 5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated therein), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Companies Acts

1 4 The contents table and headings in these Articles are for convenience only and do not affect their interpretation

1 5 Words importing the singular include the plural and vice versa and words importing a gender include every gender

1 6 Any question as to whether a person is "connected with" another shall be determined in accordance with section 839 Income and Corporation Taxes Act 1988 (except that in construing section 839 "control" has the meaning given by section 840 or section 416 of that Act so that there is control whenever section 840 or 416 requires) which shall apply in relation to this agreement as it applies in relation to that Act

1 7 The Contracts (Rights of Third Parties) Act 1999 shall not apply to any rights under these Articles

2 SHARE CAPITAL

At the Adoption Date, the issued share capital of the Company is £14,280 divided into 14,280 Ordinary Shares

3 DIVIDENDS

Any profits which the Company, on the recommendation of the Board, determines to distribute shall be applied between the holders of the Ordinary Shares in accordance with the dividend policy contained in the Shareholders' Agreement

4 RETURN OF CAPITAL

On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares or redemption of shares made in accordance with the provisions of these Articles), any surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares pro rata according to the number of such shares held by each of them respectively

5 VOTING

5 1 Subject to Article 5 2 below Ordinary Shares shall rank par passu in respect of voting rights

5 2 Notwithstanding Article 5 1 above and Article 11 below, any proposed Sale in which the entire issued share capital of the Company is to be sold for less than £3,000,000 in cash consideration (payable on completion or deferred) shall require a special resolution of the Company to approve such a sale and that special resolution must include two Members voting in favour of such Sale

6 ISSUE OF SHARES

- 6.1 Unless otherwise determined by special resolution of the Company, any unissued Ordinary Shares which the Directors propose to issue from time to time shall, before they are issued, be offered to the existing Members pro-rata to the Ordinary Shares held by them. Such offer shall be made by notice in writing specifying the number of Ordinary Shares offered, the price per Ordinary Share and a time (being not less than 10 Business Days) after which the offer, if not accepted, will be deemed to be declined and withdrawn.
- 6.2 Following the expiration of the period specified in the notice referred to in article 6.1 the Directors shall allot the Ordinary Shares that have been accepted by the Members provided that the Member shall not be obliged to take more than the maximum number of Ordinary Shares they have indicated their willingness to take.
- 6.3 Any Ordinary Shares which are not accepted pursuant to articles 6.1 and 6.2, and any Ordinary Shares released from the provisions of those articles by special resolution of the Company, may be offered by the Directors to any person (including a third party) and such Ordinary Shares shall, subject to the provisions of the CA2006 be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion.
- 6.4 Subject to the foregoing provisions of this article 6 and article 6.6, the Directors are generally and unconditionally authorised for the purposes of section 551 CA2006 to exercise any power of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company. Such authority shall expire on the day immediately preceding the fifth anniversary of the Adoption Date provided that the Directors may, after that period, allot shares under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to section 551 CA2006) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.
- 6.5 Section 561(1) and sub-sections (1) to (6) of section 562 CA2006 shall not apply to the Company and section 570 CA2006 shall apply.
- 6.6 Notwithstanding any other provision of these Articles, no Ordinary Share shall be allotted to a person who is not already a party to the Shareholders' Agreement, unless that person has entered into a deed of adherence to, and in accordance with, the Shareholders' Agreement.

7 TRANSFER OF SHARES - GENERAL

- 7.1 Notwithstanding any other provision of these Articles and subject to s771 of the CA2006, the Board shall not register a transfer of any interest in an Ordinary Share
- 7.1.1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the reasonable opinion of the Board) is of unsound mind, or
- 7.1.2 unless
- a) the transfer is permitted by article 8, or
 - b) the transfer is made in accordance with article 10 or 11,

and in either case (other than in respect of a transfer to a Third Party Purchaser under article 11) the transferee, if not already a party to the Shareholders' Agreement, has entered into a deed of adherence to, and in accordance with, the Shareholders' Agreement

7.2 For the purposes of ensuring that

7.2.1 a transfer of any Ordinary Share is in accordance with these Articles, or

7.2.2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Ordinary Share, or

7.2.3 no circumstances have arisen whereby the provisions of article 10 are required to be or ought to have been triggered,

the Board may from time to time require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration provides, such information and evidence as the Board may reasonably require for such purpose. Pending such information or evidence being provided, the Board is entitled to refuse to register any relevant transfer of Shares

7.3 If any information or evidence provided pursuant to article 7.2 discloses to the reasonable opinion of the Board that circumstances have arisen whereby a Member may be required to give or be deemed to have given a Transfer Notice the Board may by notice in writing to the relevant Member require that a Transfer Notice be given in respect of the Ordinary Shares concerned

7.4 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Board to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days. Any Ordinary Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 7.4 (and any Ordinary Shares received after the date of service, or deemed service, of any such Transfer Notice by way of rights or on a capitalisation in respect of the Ordinary Shares which are the subject of that Transfer Notice) shall with effect from the date of the relevant Transfer Notice (or, if later, the date on which such Ordinary Shares are issued), cease to confer upon the holder thereof any right to receive notice of, or attend, speak or vote at, any general meeting of the Company, or at any meeting of the holders of any Ordinary Shares until such time as another person is entered in the register of members of the Company as the holder of those Ordinary Shares

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

8 PERMITTED TRANSFERS

8.1 Transfer with consent

Any Ordinary Share may at any time be transferred with the prior consent of the Directors

8.2 Transfers to family Members

Any Member (the "**Original Transferor**") may transfer any of his Ordinary Shares to a Privileged Relation or a Family Trust provided that

8 2 1 in the case of a transfer of Ordinary Shares to a Privileged Relation

- a) that Privileged Relation may only transfer such Ordinary Shares to the Original Transferor,
- b) the Original Transferor shall procure, before the transfer is presented for registration, that he is appointed (on terms reasonably satisfactory to the Board) as the attorney of that Privileged Relation to exercise, in the name of and on behalf of the said Privileged Relation, all or any of the rights in relation to the Ordinary Shares transferred to said Privileged Relation and for that purpose the said Privileged Relation hereby authorises the Company to send to the Original Transferor any written resolutions, notices or other communications in respect of the Ordinary Shares so transferred, and
- c) if that Privileged Relation ceases, at any time and for any reason, to be a Privileged Relation of the Original Transferor, such Privileged Relation shall forthwith transfer all the Ordinary Shares held by him to the Original Transferor. If the said Ordinary Shares are not so transferred within 10 business days of that Privileged Relation so ceasing to be a Privileged Relation, the provisions of Article 10 1 5 shall apply,

8 2 2 in the case of a transfer of Ordinary Shares to a Family Trust or to any new trustee(s) of such Family Trust or to the trustees of another Family Trust

- a) the Board is reasonably satisfied
 - i with the terms of the instrument constituting the Family Trust,
 - ii with the identity of the proposed trustee(s) of the Family Trust,
 - iii that no costs incurred in the setting up or administration of the Family Trust are to be paid by the Company,
- b) the Ordinary Shares so transferred may be transferred to
 - i any new trustee(s) of the Family Trust appointed on a change in trustee(s),
 - ii the Settlor of such Family Trust,
 - iii the trustees of another Family Trust which has the same Settlor, or
 - iv any Privileged Relation of the Settlor of such Family Trust,
- c) if that Family Trust ceases, at any time and for any reason, to be a Family Trust in relation to the Settlor or if there ceases, for any reason, to be any beneficiaries (other than charities) of that Family Trust, the trustees shall forthwith transfer all the Ordinary Shares held by them to the Original Transferor. If the said Ordinary Shares are not so transferred within 10

business days of that Family Trust so ceasing to be a Family Trust or there so ceasing to be any beneficiaries, the provisions of Article 10 1 5 shall apply

9 PRE-EMPTION ON TRANSFER OF SHARES

9 1 Transfer Notice

9 1 1 Except as permitted under article 8 (Permitted Transfers) or as provided for in article 10 5 (Compulsory Transfers), or article 11 (Drag Along), any Member (a "**Seller**") who wishes to transfer any Ordinary Share (or any interest in any Ordinary Share) shall, before transferring or agreeing to transfer such Ordinary Share or interest therein, give notice in writing (a "**Transfer Notice**") to the Company of his wish

9 1 2 Subject to article 9 1 3, a Transfer Notice shall

- a) state the number of Ordinary Shares (the "**Sale Shares**") which the Seller wishes to transfer,
- b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares,
- c) state the price per Ordinary Share (the "**Proposed Price**") at which the Seller wishes to transfer the Sale Shares,
- d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 9 (a "**Total Transfer Condition**"),
- e) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 9, and
- f) not be capable of variation or cancellation without the consent of the Board or as provided for in article 9 2 5

9 1 3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 10 2)

- a) it shall relate to all the Ordinary Shares registered in the name of the Seller,
- b) it shall not contain a Total Transfer Condition,
- c) subject to article 10 3, the Transfer Price shall be determined in accordance with articles 9 2 1b) and (c),
- d) it shall be irrevocable, and
- e) subject to articles 7 3 and 10 2, the Seller may retain any Sale Shares for which buyers are not found

9 2 Transfer Price

- 9 2 1 The Sale Shares will be offered for sale in accordance with this article 9 at the following price (the "**Transfer Price**")
- a) subject to the consent of the Board, the Proposed Price, or
 - b) such other price as may be agreed between the Seller and the Board, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice, or
 - c) if no price is agreed pursuant to paragraph (b) above within the period specified therein whichever is the lower of (i) the Proposed Price and (ii) the Market Value
- 9 2 2 If the Seller and the Board are unable to agree on the Transfer Price in accordance with article 9 2 1b) the Board shall forthwith instruct the Auditors to determine and certify the Market Value of each Sale Share calculated on the basis that
- a) the Market Value is the sum which a willing buyer would agree with a willing seller to be the purchase price for all the Ordinary Shares then in issue divided by the number of Ordinary Shares then in issue,
 - b) no account shall be taken of the size of the holding which the Sale Shares comprise or whether the Sale Shares represent a majority or minority interest, and
 - c) any difficulty in applying any of the bases set out above shall be resolved by the Auditors (acting reasonably) as they, in their absolute discretion, think fit
- 9 2 3 The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Members, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Market Value shall, subject to article 9 2 4, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company
- 9 2 4 Where either
- a) the Seller revokes the Transfer Notice in accordance with article 9 2 5, or
 - b) in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Market Value is less than the price proposed by the Board to the Seller not less than 5 Business Days prior to receipt of the Auditors' report by the Company,
- then the Auditors' fees shall be borne wholly by the Seller
- 9 2 5 Where the Market Value is less than the Proposed Price the Seller may, by notice in writing served on the Company within 5 Business Days of the date on which the notification of the Market Value was first served on the Seller by the Company or the Auditors, revoke any Transfer Notice which was not stated to be, or which is not deemed by virtue of any provision of these Articles to be, irrevocable

9 3 Offer Notice

9 3 1 The Board shall serve a notice (an "**Offer Notice**") on all Members to whom the Sale Shares are to be offered in accordance with these Articles within 10 Business Days of the Transfer Price being agreed or determined in accordance with these Articles

9 3 2 An Offer Notice shall

- a) state the Transfer Price,
- b) contain the other information set out in the Transfer Notice,
- c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase, and
- d) expire, and the offer made therein shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice

9 3 3 Subject to article 9 3 4 (and for the avoidance of doubt, subject to article 8 1), for the purposes of allocating the Sale Shares amongst the Members, Sale Shares shall be offered to the Members proportionately to the number of Ordinary Shares held by each of them

9 3 4 For the purposes of article 9 3 3 no Sale Shares shall be treated as offered to the Seller or to any Member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Ordinary Shares registered in his name

9 4 Allocation of Sale Shares

9 4 1 After the expiry of the period specified in the Offer Notice or, if sooner, upon the relevant Members specified in article 9 3 3 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the "**Allocation Date**"), the Board shall allocate the Sale Shares in accordance with the applications received in the priorities set out in article 9 3 3 provided that

- a) if there are applications from any offerees for more than the number of Sale Shares available, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Share than he applied for) to the number of Ordinary Shares entitling them to receive such offer held by each of them respectively,
- b) the allocation of any fractional entitlements to Sale Shares amongst the members shall be dealt with by the Board, in such manner as they see fit

9 4 2 Within 5 Business Days of the Allocation Date the Board shall give notice in writing (an "**Allocation Notice**") to the Seller and each Member to whom Sale Shares have been allocated pursuant to article 9 4 1 (each a "**Buyer**") An Allocation Notice shall state

- a) the number and class of Sale Shares allocated to that Buyer,

- b) the name and address of the Buyer,
- c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him,
- d) the information (if any) required pursuant to article 9 4 4, and
- e) subject to article 9 4 4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place

9 4 3 Subject to article 9 4 4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) therefor, to that Buyer

9 4 4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 9 4 1 is less than the total number of Sale Shares then

- a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the "**Further Offer**") to the Buyers inviting them to apply for further Sale Shares at the Transfer Price,
- b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 10 Business Days) specified in the Allocation Notice,
- c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 9 4 1a) to (b), and
- d) following the allocation of any Sale Shares amongst the Buyers in accordance with paragraph (c) above, and provided all the Sale Shares have then been allocated, the Board shall issue revised Allocation Notices in accordance with article 9 4 2

9 4 5 Subject to article 9 4 6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 9 4 4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified therein on the terms offered to that Buyer

9 4 6 If after following the procedure set out in this article 9 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares and if the Transfer Notice contained a Total Transfer Condition, then

- a) notwithstanding any other provision of this article 9 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 9, and

- b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares

9 5 **Default by the Seller**

If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 9, the Board may authorise any Director (who shall, for this purpose, be deemed to have been irrevocably appointed as the attorney of the Seller) to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer. The Company may receive the purchase money from a Buyer on behalf of the Seller and thereafter shall, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 9 5 the validity of the proceedings shall not be questioned by any person. The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered the share certificate(s) in respect of the relevant Ordinary Shares (or a suitable indemnity in a form reasonably satisfactory to the Board) to the Company.

9 6 **Transfers following exhaustion of pre-emption rights**

If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 9 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 9 4 6b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares.

10 **COMPULSORY TRANSFERS**

10 1 In this article 10 each of the following shall be a "**Transfer Event**" in relation to a Member

- 10 1 1 a bankruptcy order being made against that Member or that Member being declared bankrupt by any court of competent jurisdiction,
- 10 1 2 that Member making an offer to make any arrangement or composition with his creditors generally,
- 10 1 3 that Member suffering from a mental disorder and being admitted to hospital or being subject to any court order under the Mental Health Act 1983,
- 10 1 4 that member being in material breach of those Articles or the Shareholders' Agreement, or
- 10 1 5 where following a Permitted Transfer to a Privileged Relation or Family Trust the Ordinary Shares held by such transferee are required to have, but have not, been transferred in accordance with Article 8 2 1c) or 8 2 2c)(as the case may be),

and, in any such case, the Board notifying the Company within the following six months that such event is a Transfer Event in relation to that Member for the purposes of this article 10 Article 27(3) of the Model Articles shall not apply

- 10 2 Upon the Board notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 10 1, the Relevant Member (and any other person holding Compulsory Transfer Shares including, in the context of this article 10 2, any third party to who the Relevant Member has transferred Ordinary Shares to pursuant to Article 8 2), shall be deemed to have served a Transfer Notice (a "**Compulsory Transfer Notice**") in respect of all the Compulsory Transfer Shares then held by each of them respectively A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares
- 10 3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 9 as if the Compulsory Transfer Shares were Sale Shares
- 10 4 Unless the Board resolves otherwise, any Compulsory Transfer Shares (and any Ordinary Shares received after the date of service, or deemed service, of a Compulsory Transfer Notice by way of rights or on a capitalisation in respect of those Compulsory Transfer Shares) shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Ordinary Shares are issued), cease to confer upon the holder thereof any right to receive notice of, or attend, speak or vote at, any general meeting of the Company until such time as another person is entered in the register of members of the Company as the holder of those Compulsory Transfer Shares (or other Ordinary Shares)
- 10 5 If a Member dies, that Member's legal personal representatives may elect (by notice in writing to the Company given at any time during the period of 6 months following the date of that Member's death) to transfer his Ordinary Shares to a Privileged Relation and, if no such notice shall have been given to the Company within that period, a Transfer Notice shall be deemed to have been served immediately on the expiry of that period
- 10 6 Paragraphs 27(2)(a) and 28 of the Model Articles shall not apply to the Company

11 DRAG ALONG

- 11 1 Subject to Article 5 2 above, if at any time, a Member holding 75% of the issued Ordinary Shares (the "**Selling Member**") wishes to transfer all his Ordinary Shares to a Third Party Purchaser, he shall have the option (a "**Drag Along Option**") to require all or any of the other Members (the "**Remaining Members**") to transfer all their Ordinary Shares with full title guarantee to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this article 11
- 11 2 The Selling Member shall exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") to each of the Remaining Members at any time before the registration of the transfer of the Selling Member's Shares
- 11 3 A Drag Along Notice shall specify
- 11 3 1 that the Remaining Members are required to transfer all their Ordinary Shares (the "**Remaining Shares**") pursuant to this article 11,
- 11 3 2 the identity of the Third Party Purchaser,

- 11 3 3 the consideration for which, or the price at which, the Remaining Shares are to be transferred in accordance with article 11 5 (the "**Drag Along Consideration**"), and
- 11 3 4 the proposed date of transfer (if known)
- 11 4 A Drag Along Notice may be revoked at any time prior to the completion of the sale and purchase of the Remaining Shares
- 11 5 The Drag Along Consideration shall be the same consideration per Remaining Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Ordinary Share held by the Selling Member provided that the Remaining Members may opt to be paid the cash equivalent of any non-cash consideration (either on completion or at the same time as the non-cash consideration is received by the Selling Member) in lieu of such non-cash consideration and the decision of the Board as to the amount of such cash consideration in lieu of such non-cash consideration shall be final and binding on the Company and all the Members
- 11 6 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Member's Shares
- 11 7 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed the Selling Member as the attorney of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the attorney may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 11
- 11 8 The provisions of this article 11 shall, save where expressly set out in this Article 11, prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Ordinary Shares contained in these Articles shall not apply to the transfer of any Shares to a Third Party Purchaser named in a Drag Along Notice (or as that Third Party Purchaser may direct) Any Transfer Notice or Compulsory Transfer Notice served in respect of an Ordinary Share which has not been allocated to a Buyer in accordance with article 9 shall automatically be revoked by the service of a Drag Along Notice
- 11 9 Upon any person (a "**New Member**") becoming, at any time after the service of a Drag Along Notice, a registered holder of any Ordinary Shares pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Ordinary Shares, a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall immediately be deemed to have been served upon that New Member who shall thereupon be bound to sell and transfer all the Ordinary Shares acquired by him to the Third Party Purchaser (or as the Third Party Purchaser may direct) The provisions of this article 11 shall apply mutatis mutandis to the sale of any Ordinary Shares by such New Member provided that completion of the sale and purchase of those Ordinary Shares shall take place on whichever is the later of
- 11 9 1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 11 9, and
- 11 9 2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice

12 GENERAL MEETINGS

- 12 1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon Three Members present either in person or by proxy shall be a quorum
- 12 2 Article 41(1) of the Model Articles shall be amended by the addition of the following words at the end of that Article
- "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the Member(s) present (either in person or by proxy) shall constitute a quorum"
- 12 3 Any Member, having the right to attend and vote at the meeting in question and who is present at that meeting in person or by proxy may demand a poll Article 44 of the Model Articles shall be amended accordingly

13 APPOINTMENT AND REMOVAL OF DIRECTORS

- 13 1 The office of a Director shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon in the case of an executive Director only, that Director ceasing for any reason whatsoever to be employed by the Company and Article 18 of the Model Articles shall be extended accordingly

14 PROCEEDINGS OF DIRECTORS

- 14 1 No business shall be transacted at any meeting of the Board unless the requisite quorum is present at the commencement of the business and also when such business is voted upon Three Directors shall be a quorum Article 11(2) of the Model Articles shall be modified accordingly
- 14 2 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting
- 14 3 Without prejudice to the provisions of chapter 3 of Part X CA2006 a director may vote at, and be counted in the quorum of, a meeting of the Board, or of a committee of the Board, on any resolution concerning a matter in which he (or any person connected with him by virtue of section 252 CA2006) has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company, provided that he has disclosed to the Board the nature and extent of that interest or duty
- 14 4 The Board may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest provided that, for this purpose, the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter is authorised and it is agreed to without their voting or would have been agreed to if their votes had not been counted

- 14 5 Any authorisation given under Article 14 4 may (whether at the time of giving the authorisation or subsequently) extend to any actual or potential conflict of interest which may reasonably be where the Board give authority under Article 14 4
- 14 5 1 they may (whether at the time of giving the authority or subsequently) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at Board meetings or otherwise) related to the matter that is the subject of the authorisation and impose upon the relevant director such other terms for the purpose of the authorisation as they think fit and
- a) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the authorisation, and
 - b) the relevant director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms,
- 14 5 2 they may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence,
- 14 5 3 the Board may revoke or vary the authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority
- 14 6 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter which has been authorised by the Board pursuant to Article 14 4 (subject in any case to any limits or conditions to which such approval was subject)
- 14 7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
- 14 7 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- 14 7 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 14 7 3 shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such transaction or arrangement or such proposed transaction or arrangement
- 14 8 Articles 14(1) to 14(4) inclusive of the Model Articles shall not apply to the Company

15 RESERVED MATTERS

- 15 1 The Board has responsibility for the supervision and management of the Company and its business, but shall obtain the unanimous written approval of the Members before taking any decision in respect of Reserved Matters
- 15 2 The Reserved Matters shall be any decision contemplating,
- 15 2 1 the Company ceasing to be a private company or any material change in the nature of the Company's business,
 - 15 2 2 amendment to the Articles,
 - 15 2 3 selling any material asset of the Company,
 - 15 2 4 alteration of any rights attaching to the Ordinary Shares,
 - 15 2 5 any capital expenditure in excess of £5,000,
 - 15 2 6 raising any external funding or granting any security over the assets of the Company, or
 - 15 2 7 giving any guarantee in respect of the obligations of a third party

16 ELECTRONIC COMMUNICATIONS

The Company may, subject to and in accordance with the provisions of CA2006, serve any notice on, or send or supply any other documents or information to, its Members or any other person by any electronic means, including by making them available on a website

17 INDEMNITY

- 17 1 A relevant Director (which, for the purpose of this article 17, shall include any current or former Director) may be indemnified out of the Company's assets against any liability (other than a liability to the Company) which that Director incurs in connection with
- 17 1 1 civil proceedings in relation to the Company (other than a liability incurred in defending proceedings brought by the Company in which final judgment is given against the Director),
 - 17 1 2 criminal proceedings in relation to the Company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the Director is convicted and the conviction is final),
 - 17 1 3 regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the Company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising))
- 17 2 For the purposes of article 17 1, a judgment, conviction or refusal of relief becomes final
- 17 2 1 if not appealed against, at the end of the period for bringing an appeal, or

17 2 2 if appealed against, at the time when the appeal (or any further appeal) is disposed of, and an appeal is disposed of

a) if it is determined and the period for bringing any further appeal has ended, or

b) if it is abandoned or otherwise ceases to have effect

17 3 Article 52 of the Model Articles shall not apply to the Company

18 INSURANCE

18 1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

18 2 In this article 18

18 2 1 a "**relevant officer**" means any director or former director of the Company, any other officer or employee or former officer or employee of the Company (but not its auditors), and

18 2 2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company

19 DISPUTES

Where these Articles provide for any dispute in relation to a particular matter to be determined pursuant to this article 19, such dispute shall be referred, at the request of any Member, to the Auditors. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members and the cost of such reference shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Auditors, equally by the parties concerned

20 GENERAL

20 1 Article 24(5) of the Model Article shall be modified by the deletion of Article 24(5)(b) to be replaced with the following words "executed in such other manner as the Board authorises, subject to the provisions of the Companies Acts,"