

VIDEOLOFT LIMITED

Company Number 08121657

Articles of Association

Adopted by special resolution on 12th December 2022

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION

OF

VIDEOLOFT LIMITED

(Adopted by special resolution passed on 12th December 2022)

INTRODUCTION

1. Interpretation

1.1. In these Articles unless expressly provided otherwise the following words have the following meanings

Act the Companies Act 2006

Acting in Concert has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended)

Adoption Date the date of original adoption of these Articles being 11th April 2013

Asset Sale the disposal by the Company of all or a substantial part of its business and assets

Available Profits the profits available for distribution within the meaning of Part 23 of the Act

Business Day any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business

Call Option Agreement means a call option agreement between the Company and a Departing Employee Shareholder

Companies Acts has the meaning given to it in the Act

Company means Videoloft Limited which changed its corporate name from Manything Systems Limited on 9th August 2019 (Company number 08121657)

Connected has the meaning in section 252 of the Act

Controlling Interest an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010

Deemed Transfer Notice a Transfer Notice which is deemed to have been served by any of the provisions of these Articles

Departing Employee Shareholder an Employee Shareholder who ceases to be a director or employee of or consultant to any Group Company or whose personal service company ceases to be a consultant to any Group Company and who does not continue as or become a director or employee of or consultant (whether directly or via his personal service company) to any other Group Company

Directors the directors of the Company from time to time

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

Employee Benefit Trust means any trust established for the benefit of the employees of the Company

Employee Shareholder a Shareholder who is or has been a director and/or an employee of any Group Company or a consultant to any Group Company (whether engaged directly or via a personal service company)

Exit a Share Sale and Asset Sale or a listing

Expert the auditors of the Company or if the Company has no auditors or if they should refuse such an appointment an accountant nominated by the Directors

Family Trust in relation to a Shareholder a trust or settlement set up wholly for the benefit of that Shareholder's Privileged Relations

Founders Alamy Limited Michael Fischer James West Nathan West Daniel Germain Stuart Matthews Jan Matthews John Schillizzi Timothy Pearson Michael Edge Patrick Fischer and Dana Fischer Schickler

Group the Company and its subsidiaries (if any) from time to time and Group Company shall be construed accordingly

Holding company has the meaning given in section 1159 of the Act

Listing the successful application and admission of all or any of the shares in the capital of the Company or securities representing such shares to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended))

Model Articles the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date

Ordinary Shares the ordinary shares of £0.10 each in the capital of the Company

Preference Shares the preference shares of £1.00 each in the capital of the Company

Preferred Dividend the fixed cumulative preferential dividend referred to in article 8.2

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

Sale Shares has the meaning given in article 16.2.1

Seller has the meaning given in article 16.2

Shareholder a holder for the time being of any Share or Shares

Shares shares (of any class) in the capital of the Company and Share shall be construed accordingly

Share Sale the sale of (or the grant of a right to acquire and dispose of) any of the shares in the capital of the Company (in one transaction or a series of transactions) which will result in the buyer of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company except where the shareholders and the proportion of shares held by each of them following the completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before the sale

Subsidiary in relation to a holding company wherever incorporated means a subsidiary (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company

Termination Date (a) where employment ceases by virtue of notice given by the employer to the employee the date on which such notice expires

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice the date on which notice of termination was served

(c) where an Employee Shareholder dies the date of his death

(d) where the Employee Shareholder concerned is a director but not an employee the date on which he ceases to be a director of the relevant Group Company

(e) where the Employee Shareholder or his personal service company is a consultant to a Group Company the date on which such consultancy is terminated or

(f) in any other case the date on which the employment or holding of office is terminated

Transfer Notice has the meaning given in article 16.2

Transfer Price has the meaning given in article 17 and

Trustees means the trustees for the time being of any Employee Benefit Trust

1.2. A reference in these Articles to

1.2.1. an **Article** is a reference to the relevant numbered article of these Articles and

1.2.2. a **model article** is a reference to the relevant article

unless expressly provided otherwise.

1.3. Save as otherwise specifically provided in these Articles words and expressions which have particular meanings in the Model Articles shall have the same meaning in these Articles subject to which and unless the context otherwise requires words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.4. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.5. In these Articles words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

1.6. Unless expressly provided otherwise a reference to a statute statutory provision or subordinate legislation is a reference to it as it is in force from time to time taking account of

1.6.1. any subordinate legislation from time to time made under it and

1.6.2. any amendment or re-enactment and includes any statute statutory provision or subordinate legislation which it amends or re enacts.

2. **Adoption of the Model Articles**

2.1. The Model Articles shall apply to the Company except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles and subject to any such modifications exclusions or inconsistencies shall together with these Articles constitute the articles of association of the Company to the exclusion of

any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

- 2.2. Model articles 7, 8, 11(2) and (3), 14(1) to 4 (inclusive), 26(5) and 52 and 53 shall not apply to the Company.
- 2.3. In model article 25(2)(c) the words evidence indemnity and the payment of a reasonable fee shall be deleted and replaced with the words evidence and indemnity.

DIRECTORS

3. Appointment and removal of directors

- 3.1. Unless otherwise determined by ordinary resolution the number of Directors shall not be less than two.
- 3.2. The holders of the majority of the issued Preference Shares may by notice in writing to the Company appoint any person to be a Director and may remove any person from the office of Director immediately following the service of such a notice a copy shall be provided by the Company to each Director and the Company Secretary (if any) as well as to the outgoing Directors(s).
- 3.3. Any Shareholder who holds not less than 20 per cent of the issued Ordinary Shares may by notice in writing to the Company appoint any person to be a Director and may remove any person from the office of Director immediately following the service of such a notice a copy shall be provided by the Company to each Director and the Company Secretary (if any) as well as to the outgoing Director(s).

4. Proceeding of directors

- 4.1. Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4.2 (subject to article 4.3 and article 4.4. All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2. A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3. A decision taken in accordance with article 4.2 may take the form of a resolution in writing where each Eligible Director has signed one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4. A decision may not be taken in accordance with article 4.2 if the Eligible Directors would not have formed a quorum at a Directors meeting to vote on the matter in accordance with article 4.5 and article 4.6.

- 4.5. The quorum for any meeting (or where specified below part of a meeting) of the Directors shall be two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting or if during a meeting such quorum ceases to be present the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed then the meeting shall proceed.
- 4.6. For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a Conflict (as defined in article 6.1) if there is only one Eligible Director in office other than the conflicted Director(s) the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.7. If the number of Directors in office for the time being is less than two the Director in office must not take any decision other than a decision to
- 4.7.1. further directors, or
- 4.7.2. call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.8. Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes the chairman of the meeting shall have a second or casting vote.

5. Transactions or other arrangements with the Company

- 5.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
- 5.1.1. 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
- 5.1.2. shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested
- 5.1.3. 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 existing or proposed transaction or arrangement in which he is interested
- 5.1.4. may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director

5.1.5. may be a Director or other officer of or employed by or a party to a transaction or arrangement with or otherwise interested in any body corporate in which the Company is otherwise (directly or indirectly) interested

5.1.6. shall not save as he may otherwise agree be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest many such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

6. **Directors conflicts**

6.1. The Directors may in accordance with the requirements set out in this article 6 authorise any matter or situation proposed to them by any Director which would if not authorised involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

6.2. Any authorisation under this article 6 will be effective only if

6.2.1. to the extent permitted by the Act the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine

6.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director and

6.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

6.3. Any authorisation of a Conflict under this article 6 may (whether at the time of giving the authorisation or subsequently)

6.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised

6.3.2. provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict

6.3.3. provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict

- 6.3.4. impose upon the Interested Director such other terms of dealing with the Conflict as the Directors think fit
 - 6.3.5. provide that where the Interested Director obtains or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party he will not be obliged to disclose that information to the Company or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence and
 - 6.3.6. permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by or for the Directors to the extent they relate to such matters
- 6.4. Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
 - 6.5. The Directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
 - 6.6. A Director is not required by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director) to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 7. **Secretary**
 - 7.1. The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and if the Directors so decide to appoint a replacement in each case by a decision of the Directors.

SHARES AND DISTRIBUTION

- 8. **Dividends**
- 8.1. In any financial year the Available Profits of the Company shall be used to pay dividends as set out in this article 8.
- 8.2. With effect from the first financial year commencing after the Fifteenth anniversary of the Adoption Date, the Company shall without resolution of the Directors or the Company in general meeting and before application of any

Available Profits to reserve or for any other purpose pay the holders of the Preference Shares a fixed cumulative preferential dividend (Preferred Dividend) at an annual rate of 10% of the amount paid up on each Preference Share to be paid in two instalments on 31 December and 30 June in each financial year to the person registered as its holder on the relevant date.

- 8.3. Once all of the Preferred Dividends have been paid any Available Profits that the Company determines to distribute shall be distributed amongst the holders of the Ordinary Shares provided always that no dividend shall be paid on the Ordinary Shares in respect of any financial year commencing prior to the third anniversary of the Adoption Date.
- 8.4. Each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares held by them respectively and shall accrue daily (assuming a 365 day year) and shall be paid in cash.
- 8.5. If the Company is unable to pay the Preferred Dividend in full on the due date because there are insufficient Available Profits it shall pay the Preferred Dividend on that date to the extent that it is lawfully able to do so.
- 8.6. If the Preferred Dividend is not paid on the due date it shall immediately become a debt due by the Company and shall be payable in priority to any other dividend. All accrued but unpaid dividends shall be paid immediately before an Exit.

9. **Capital**

- 9.1. On a return of assets on liquidation, capital reduction or otherwise (other than a conversion redemption or purchase of Shares) the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority

9.1.1. first in paying to the holders of the Preference Shares £1.00 per Preference Share together with a sum equal to any arrears and accruals of the Preferred Dividend calculated down to and including the date of the return of capital and if there is a shortfall of assets remaining to satisfy the entitlements of holders of the Preference Shares in full the proceeds shall be distributed to the holders of the Preference Shares in proportion to the number of Preference Shares held by them and

9.1.2. second to the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held.

10. **Exit Provisions**

- 10.1. The proceeds of a Share Sale shall be distributed in the order of priority set out in article 9. The Directors shall not register any transfer of Shares if the proceeds of sale are not distributed in that manner (save in respect of any Shares not sold

in connection with that Share Sale) provided that if the proceeds of sale are not settled in their entirety on completion of the Share Sale

10.1.1. the Directors may register the transfer of the relevant shares provided that the proceeds have been distributed in the order of priority set out in article 9 and

10.1.2. the Shareholders shall take any action required by the holders of the Preference Shares to ensure that the proceeds of sale are distributed in the order of priority set out in article 9.

- 10.2. On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) in the order of priority set out in article 9. If it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the holders of the Preference Shares (including (but not limited to) any actions that may be necessary to put the Company into voluntary liquidation so that article 9 applies).
- 10.3. On the Business Day immediately prior to a Listing, the Company shall redeem all of the Preference Shares then outstanding. The provisions of articles 11.2 and 11.3 shall apply to such redemption as if such date were a Redemption Date.

11. Redemption of Preference Shares

- 11.1. Subject to the Act (and to the existence of Available Profits confirmed by the Board), the Preference Shares shall be redeemed in the following amounts, on the following dates (each a Redemption Date)

Redemption Date	Number of Preference Shares to be deemed
The fifteenth anniversary of the Adoption Date	One fifth of the Preference Shares in issue at the Redemption Date
The sixteenth anniversary of the Adoption Date	One quarter of the Preference Shares in issue at the Redemption Date
The seventeenth anniversary of the Adoption Date	One third of the Preference Shares in issue at the Redemption Date
The eighteenth anniversary of the Adoption Date	Half of the Preference Shares in issue at the Redemption Date
The nineteenth anniversary of the Adoption Date	All of the Preference Shares in issue at the Redemption Date

- 11.2. Subject to article 11.1, on each Redemption Date the Company shall pay £2.25 on each of the Preference Shares redeemed. At the same time it shall pay any arrears or accruals of the Preferred Dividend due on such shares calculated down to and including the Redemption Date. In the absence of any direction to the contrary by the holder of the relevant Preference Shares, any amount paid on redemption of those shares shall relate first to the arrears and accruals of the Preferred Dividend. The Preferred Dividends on the redeemed shares shall stop accruing from the date on which the redemption amount is paid.
- 11.3. Subject to article 11.1, on any Redemption Date the Company shall pay to each registered holder of Preference Shares the amount payable in respect of such redemption. On receipt of that amount each such holder shall surrender to the Company the certificate for the shares that are to be redeemed (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost share certificate) to be cancelled. If any certificate (or indemnity) so surrendered includes any shares that are not redeemable at that time the Company shall issue a new share certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of Preference Shares any redemption shall be made among such holders pro rata (as nearly as possible) to their respective holdings.
- 11.4. If on any Redemption Date the Company is prohibited from redeeming some or all of the Preference Shares then due to be redeemed, the Company shall redeem such number of Preference Shares as it is lawfully able to redeem (with particular regard to affordability and the existence of Available Profits). If there is more than one holder whose Preference Shares are due to be redeemed those Preference Shares shall be redeemed in proportion as nearly as possible to their existing holdings of Preference Shares and the Company shall redeem the balance of those shares as soon as practicable.
- 11.5. For so long as the Company is prohibited from redeeming Preference Shares and some or all of the Preference Shares which have become due for redemption have not been redeemed, the Preferred Dividend shall notwithstanding the other provisions of these Articles continue to accrue down to and including the date on which such shares are actually redeemed and the Company shall not pay any dividend or otherwise make any distribution out of capital or otherwise decrease its Available Profits. If the Company fails to make any partial redemption of Preference Shares then subsequent redemptions of Preference Shares shall be deemed to be of those Preference Shares that first became due for redemption.
12. **[Deliberately left blank]**
13. **Pre-emption rights on the issue of further shares**

13.1. Subject to the remaining provisions of this article 13 the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to

13.1.1. offer or allot

13.1.2. grant rights to subscribe for or to convert any security into

13.1.3. otherwise deal in or dispose of

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person at any time and subject to any terms and conditions as the Directors think proper.

13.2. The authority referred to in article 13.1

13.2.1. shall be limited to a maximum nominal amount of £1,100,000

13.2.2. shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution

13.2.3. may only be exercised for a period of five years from the date of these amended Articles save that subject to these Articles the Directors may make an offer or agreement which would or might require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired) and

13.2.4. In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

14. **Transfers of shares general**

14.1. In these Articles reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest a Share.

14.2. Unless otherwise agreed between the transferor and transferee, the transferor of a Share shall be entitled to retain or receive any dividend or distribution declared or paid in respect of such Share prior to the date of transfer.

14.3. No Share shall be transferred and the Directors shall refuse to register a transfer of any Share unless it is made in accordance with these Articles. The Directors shall register any duly stamped transfer made in accordance with these Articles unless they suspect that the proposed transfer may be fraudulent.

- 14.4. Any Transfer Notice (but not a Drag Along Notice (as defined in article 19)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

15. **Permitted transfers of Shares**

- 15.1. The holders of the Preference Shares may transfer all or any of their Preference Shares to any person providing that the Company has been given one month's advance notice of the transfer and has agreed that it will register such transfer and update the register of members accordingly (otherwise such purported transfer shall be void).
- 15.2. Any Ordinary Share may be transferred pursuant to the terms of a Call Option Agreement.
- 15.3. A Shareholder who is an individual may transfer any Ordinary Shares to a Privileged Relation or Family Trust of such Shareholder. If any Shareholder to whom Ordinary Shares have been transferred pursuant to this article ceases to be a Privileged Relation or Family Trust of the person who transferred such Ordinary Shares (Original Shareholder) then such Shareholder shall immediately transfer such Ordinary Shares to the Original Shareholder or a Privileged Relation or Family Trust of the Original Shareholder and if such Shareholder fails to transfer such Ordinary Shares within 7 days of ceasing to be a Privileged Relation or Family Trust of the Original Shareholder a Transfer Notice shall be deemed to have been served in respect of such Ordinary Shares.
- 15.4. The Trustees may transfer any Ordinary Shares to any person and any Shareholder may transfer any Ordinary Shares to the Trustees.

16. **Pre-emption rights on the transfer of Ordinary Shares**

- 16.1. Except where the provisions of article 19 apply any transfer of Ordinary Share by a Shareholder shall be subject to the pre-emption rights in this article 16.
- 16.2. A Shareholder who wishes to transfer Ordinary Shares (a Seller) shall before transferring or agreeing to transfer any Shares, give notice in writing (a Transfer Notice) to the Company specifying
- 16.2.1. the number of Shares he wishes to transfer (Sale Shares)
- 16.2.2. the name of the proposed transferee, if any
- 16.2.3. the price per share at which he wishes to transfer the Sale Shares, and
- 16.2.4. whether the Transfer Notice is conditional upon all of the Sale Shares being sold (**Minimum Transfer Condition**).

- 16.3. A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 16.4. The Company may within the period of 30 Business Days of receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice the date such notice was deemed to be served) and subject to Chapter 4 of Part 18 of the 2006 Act purchase from the Seller all or some of the Sale Shares at the Transfer Price whereupon the Seller shall be bound to transfer the Sale Shares or such of the Sale Shares as the directors shall resolve to purchase as aforesaid. The Seller shall be bound to exercise all voting rights and other powers of control available to him in relation to the Company in order for the Company to comply with Chapter 4 of Part 18 of the 2006 Act and to transfer the Sale Shares or such of the Sale Shares as the directors shall resolve to purchase as aforesaid to the Company at the time and place specified in writing by the directors. If the Seller fails to exercise such rights or other powers of control or to transfer the Sale Shares or such of the Sale Shares as are applied for the chairman of the Company or some other person appointed by the directors shall be deemed to have been appointed agent of the Seller with full power to execute complete and deliver in the name and on behalf of the Seller any document necessary in respect of such exercise or transfer.
- 16.5. If the Company does not purchase all of the Sale Shares within the period set out in article 16.4 the Directors shall offer the remaining Sale Shares for sale to the holders of Ordinary Shares (other than the Seller) in the manner set out in the remaining provisions of this article 16 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 16.6. The Directors shall offer the Sale Shares to the holders of Ordinary Shares (other than the Seller) inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the Offer Period) for the maximum number of Sale Shares they wish to buy.
- 16.6.1. If at the end of the Offer Period the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy
- 16.6.2. If following allocations in accordance with article 16.6.1 not all Sale Shares have been allocated but there are applications for Sale Shares that have not been satisfied the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 16.6.1. The procedure set out in this article 16.6.2 shall be

repeated until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied

- 16.6.3. If at the end of the Offer Period the total number of Sale Shares applied for is less than the number of Sale Shares the Directors shall allocate the Sale Shares to the Shareholders in accordance with their applications.
- 16.7. Where the Transfer Notice contains a Minimum Transfer Condition and the total number of shares applied for under article 16.7 is less than the number of Sale Shares the Directors shall notify the Seller and all Shareholders who have applied for Sale Shares that the Minimum Transfer Condition has not been met and that the Transfer Notice has lapsed with immediate effect. The Seller may at any time during the 20 Business Days following the date on which the Transfer Notice lapsed transfer all (but not some only) of the Sale Shares at a price at least equal to the Transfer Price to any person provided always that if the Seller is not a Founder then no Sale Shares may be transferred to any person unless that person has been approved in writing by the Directors.
- 16.8. Where the Transfer Notice does not contain a Minimum Transfer Condition or allocations have been made in respect of all the Sale Shares the Directors shall give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be not more than 10 Business Days after the date of the Allocation Notice).
- 16.9. On the date specified for completion in the Allocation Notice the Seller shall against payment from an Applicant transfer the Sale Shares allocated to such Applicant in accordance with any requirements specified in the Allocation Notice
- 16.10. If the Seller fails to comply with article 16.10
 - 16.10.1. any Director or some other person nominated by a resolution of the Directors may (as agent and attorney on behalf of the Seller)
 - (a) complete execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants
 - (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price) and
 - (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them and

- 16.10.2. the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificates) for the relevant Shares (or an indemnity in a form reasonably satisfactory to the Directors in respect of any lost certificate together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.
- 16.11. Where an Allocation Notice does not relate to all the Sale Shares then the Seller may at any time during the 20 Business Days following the date of service of the Allocation Notice transfer any Sale Shares not so allocated to any person at a price at least equal to the Transfer Price provided always that if the Seller is not a Founder then no Sale Shares may be transferred to any person unless that person has been approved in writing by the Directors.
- 17. Transfer Price**
- 17.1. The Transfer Price for each Sale Share the subject of a Transfer Notice shall be
- 17.1.1. in the case of a Transfer Notice which is not a Deemed Transfer Notice the price per share specified in the Transfer Notice or if no such price is specified the Fair Value of each Sale Share determined in accordance with article 17.2.
- 17.1.2. in the case of a Deemed Transfer Notice the Fair Value of each Sale Share determined in accordance with article 17.2.
- 17.2. The Fair Value of a Sale Share shall be such amount per share as the Expert shall certify in writing to be the market value of the Sale Share calculated on the basis of a sale between a willing seller and a willing buyer on arm's length terms. No discount (or premium) shall be applied in valuing a Sale Share by virtue of the fact that the Sale Shares in question represent a minority (or majority) of the issued Ordinary Shares. The Directors may resolve that costs of such valuation shall be borne by the Company but if they do not then the costs shall be apportioned among the proposing transferor and the purchasing members. In certifying the market value as aforesaid the Expert shall be considered to be acting as an expert and not as an arbitrator and his decision shall be final.
- 18. Compulsory transfers**
- 18.1. A person entitled to an Ordinary Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) or the death of a Shareholder (in each case other than a Founder) shall if so required by resolution of the Directors to that effect within two years of the relevant event be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 18.2. If an Employee Shareholder (other than a Founder) becomes a Departing Employee Shareholder a Transfer Notice shall if the Directors so direct in writing

prior to or within 12 months after the relevant Termination Date be deemed to have been served in respect of all Ordinary Shares held by such Departing Employee Shareholder and any Privileged Relation or Family Trust to whom the Departing Employee Shareholder has transferred Ordinary Shares pursuant to article 15.4 (a Compulsory Employee Transfer) and any Transfer Notice served in respect of any of such Ordinary Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse. A Deemed Transfer Notice shall not include a Minimum Transfer Condition. The Deemed Transfer Notice shall take effect on the date that the Directors give notice to the Departing Employee Shareholder.

19. Drag along

- 19.1. If at any time the holders of not less than 75% of the Ordinary Shares in issue for the time being (the Selling Shareholders) wish to transfer all of their interest in Ordinary Shares to a bona fide arm's length purchaser (Proposed Buyer) the Selling Shareholders shall have the option (Drag Along Option) to require all the other Shareholders (Called Shareholders) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) for in the case of Ordinary Shares the same consideration per share (whether cash, non cash, deferred or contingent) payable by the Proposed Buyer to the Selling Shareholders and in the case of Preference Shares a sum equal to £1 00 per Preference Share plus all arrears and accruals of the Preferred Dividend up to and including the date of completion of the sale and purchase of such shares.
- 19.2. The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to the Called Shareholders to that effect (a Drag Along Notice) at any time before the completion of the transfer of Shares by the Selling Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (Called Shares) pursuant to this article 19 the identity of the Proposed Buyer the consideration payable for the Called Shares and the proposed date of transfer and shall require the Called Shareholders to deliver a share certificate or certificates in respect of the Called Shares together with a duly executed stock transfer form.
- 19.3. A Drag Along Notice once served shall be irrevocable but the Drag Along Notice and all obligations under it shall lapse if the Selling Shareholders, do not for any reason, complete the transfer their Shares to the Proposed Buyer (or as the Proposed Buyer shall direct) within 60 days after the date of the Drag Along Notice.
- 19.4. Completion of the sale and purchase of the Called Shares shall take place on the same date as and conditional upon the completion of the sale and purchase of the Sellers Shares.

- 19.5. If any Called Shareholder shall default in transferring their Shares pursuant to this article 19 then the directors may appoint any person to be his agent and attorney to execute and deliver all necessary transfers on his behalf against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares.
- 19.6. A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 16.
- 19.7. The provisions of this Article 19 shall also apply to any Shares acquired on the exercise of any option within 90 days of the date of completion of the sale by the Selling Shareholders to the Proposed Buyer and the option holder may be required to transfer such shares within 14 days of allotment and in default Article 19 5 shall apply.

DECISION MAKING BY SHAREHOLDERS

20. Voting

- 20.1. Subject to any other provisions in these Articles concerning voting rights
 - 20.1.1. each Ordinary Share in the Company shall carry the right to receive notice of and to attend speak and vote at all general meetings of the Company and
 - 20.1.2. each Preference Share in the Company shall carry the right to receive notice of and to attend and speak but not vote at all general meetings of the Company.
- 20.2. Model article 44(3) shall be amended by the insertion of the words: A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made as a new paragraph at the end of that model article
- 20.3. Model article 45(1) shall be amended by
 - 20.3.1. the deletion of model article 45(1)(d) and its replacement with the words is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate and
 - 20.3.2. the insertion of the words and a proxy notice which is not delivered in such manner shall be invalid unless the Directors in their discretion accept the notice at any time before the meeting as a new paragraph at the end of that model article.

21. Matters requiring special consent

21.1. The following transactions or matters shall require the prior written consent of the holders of a majority of the Preference Shares (such consent not to be unreasonably withheld or delayed)

21.1.1. the payment of any dividends other than the Preference Dividend

21.1.2. entering into any transaction or arrangement with a Director or any person connected with a Director other than on arm's length terms

21.1.3. the issue of any new Shares or

21.1.4. the acquisition of any shares in another company or of the business of another company.

ADMINISTRATION ARRANGEMENTS

22. Notices

22.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient

22.1.1. if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider)

22.1.2. if properly addressed and delivered by hand when it was given or left at the appropriate address

22.1.3. if properly addressed and sent or supplied by electronic means one hour after the document or information was sent or supplied and

22.1.4. if sent or supplied by means of a website when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article 22.1 no account shall be taken of any part of a day that is not a working day.

- 22.2. In proving that any notice document or other information was properly addressed it shall be sufficient to show that the notice document or other information was delivered to an address permitted for the purpose by the Act.

23. **Indemnity and Insurance**

- 23.1. Subject to article 23.2 but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

23.1.1. each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings. In which Judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him in his capacity as a Relevant Officer relief from liability for negligence default breach of duty or breach of trust in relation to the Company s (or other Group Company s) affairs and

23.1.2. the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 23.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 23.2. This article 23 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 23.3. 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.

- 23.4. In this article 23

23.4.1. **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 (or other Associated Company) or any pension fund or employees share scheme of the Company (or other Associated Company)

23.4.2. **Relevant Officer** means any director or other officer or former director or other officer of any Associated Company and

23.4.3. **Associated Company** companies are associated if one is the subsidiary of the other or both are subsidiaries of the same body corporate.