

DATED 13 June ..... 2022

**PLAY MORE GOLF LIMITED**

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**ARTICLES OF ASSOCIATION**

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**NO. 08727073**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**PLAY MORE GOLF LIMITED (THE "COMPANY")**

(adopted by special resolution passed on 13 June 2022)

**1 PRELIMINARY**

- 1.1 The regulations referred to in regulation 2, and set out in schedule 1, of The Companies (Model Articles) Regulations 2008 (the "**Model Articles**") apply to the Company except to the extent that they are excluded and modified by these Articles, and are to the exclusion of all other regulations and Articles.
- 1.2 The registered office of the Company will be situated in England and Wales.

**2 DEFINED TERMS**

- 2.1 In the Articles, unless the context requires otherwise:

"**A Ordinary Share**" means an A ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles

"**Act**" means the Companies Act 2006

"**Acting in Concert**" has the meaning given to it in the City Code on Takeovers and Mergers

"**Alternate**" or "**Alternate Director**" has the meaning given in Article 8

"**Appointor**" has the meaning given in Article 8

"**Approved Offer**" means an arms length offer in writing for all the Shares in issue (including any Shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into Shares in existence at the date of such offer) on equal terms (unless in the case of a particular member less favourable terms are agreed in writing with that member) and which:

- (a) is stipulated to be open for acceptance for at least 15 Business Days;
- (b) includes an undertaking by the offeror that neither it nor any person acting by agreement or understanding with it have entered into more favourable terms or have agreed more favourable terms with any other member for the purchase of Shares; and
- (c) has the prior written approval of an Investor Majority

**"Articles"** means the articles of association of the Company

**"Asset Sale"** means the sale, transfer or disposal of all or substantially all of the assets of the Company and any subsidiary and any holding company of the Company and any subsidiary of such holding company taken as a whole by way of any single transaction or series of transactions (other than any such sale, transfer or disposal by one Group Company to another Group Company)

**"B Ordinary Share"** means a B ordinary share of £1.00 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles

**"Bad Leaver"** means a Manager who:

- (a) is summarily dismissed from employment by a Group Company provided that such dismissal does not constitute constructive, wrongful or unfair dismissal; or
- (b) resigns his employment from a Group Company (other than where such resignation is found by an employment tribunal or, if appealed, the final appellate body from such employment tribunal, to amount to constructive unfair dismissal); or
- (c) ceases to be an employee of a Group Company unless:
  - (i) he is immediately employed by another Group Company; or
  - (ii) such cessation is as a result of:
    - a. his death; or
    - b. his permanent disability; or
    - c. his permanent incapacity through ill health; or
    - d. his redundancy; or
    - e. his dismissal from employment (and where such dismissal is found to be substantively wrongful, constructive or unfair by an employment tribunal or, if appealed, the final appellate body from such employment tribunal); or
  - (iii) such cessation is as a result of a Group Company terminating his employment on notice.

**"Bad Leaver Shares"** means Shares held by a Bad Leaver or a Permitted Transferee of a Bad Leaver on the Leaver Transfer Date

**"Beneficial Owner"** means the beneficial owner of any Shares

**"Board"** means the board of Directors of the Company from time to time

**"Business Day"** means a day (other than Saturday or Sunday) on which banks are generally open in London for normal business

**"C Ordinary Share"** means a C ordinary share of £1.00 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles

**"Conflict of Interest"** includes a conflict of duties, or a conflict of interest and duty, or a potential conflict

**"Connected Person"** shall have the meaning defined by section 1122 of the CTA 2010

**"company"** includes (except when referring to the Company) any body corporate, partnership, limited liability partnership, unincorporated business or association or other body

**"Connected Company"** means:

- (a) any associated body corporate (as defined in section 256 of the Act) of the Company;
- (b) any company which is controlled by any person or group of persons who have control of the Company (to "control" a body corporate meaning to be entitled to exercise or to control the exercise of more than 50% of the voting power at any general meeting of that body corporate);
- (c) any company promoted by the Company or in which the Company is in any way interested; and
- (d) any company with which the Company is engaged in any joint venture or joint enterprise.

**"Connected Persons"** has the meaning given to it in section 1122 of the Corporation Tax Act 2010

**"Controlling Interest"** means the holding of Shares (or the right to exercise the votes attaching to Shares) which confer in aggregate more than 50% of the total voting rights conferred by all the Shares for the relevant time being in issue

**"Directors"** means the directors of the Company from time to time (and includes a former Director or a shadow Director to the extent that the general duties (as defined in Article 7.2) apply to them and the definition of "Director" in regulation 1 of the Model Articles is modified accordingly

**"Disposal"** means the sale of the whole or substantially the whole of the undertaking or assets of the Company

**"D Ordinary Share"** means a D ordinary share of £0.001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles

**"Employee Trust"** means a trust established by the Company (with the approval of the Investor Majority) whose beneficiaries are bona fide Directors, employees or future Directors and/or employees of any Group Company

**"E Ordinary Share"** means an E ordinary share of £0.001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles

**"Equity Shares"** means the A Ordinary Shares, B Ordinary Shares and the C Ordinary Shares in the equity share capital of the Company and any shares derived therefrom whether by conversion,

consolidation or subdivision or by way of rights or bonus issue or otherwise for the time being in issue

**"Existing Investor Directors"** has the meaning given to it in Article 13.1

**"Existing Investors"** means David Murray, Caribina Investments Limited, Cornel Riklin and Alexander Spain

**"Exit Event"** means any of:

- (a) a Disposal; or
- (b) a Share Sale; or
- (c) a Liquidation; or
- (d) a Listing

**"Exit Proceeds"** means:

- (a) on a Listing, the valuation placed on all of the Shares on the date on which all or any of the Shares are Listed (subject only (where relevant) to any announcement under the rules of the UK Listing Authority or under equivalent rules applicable in any other jurisdiction), as shown in the prospectus or listing particulars published in connection with the Listing, less the gross amount of any new money raised by the Company in connection with the Listing from a subscription for new shares;
- (b) on an Asset Sale, the total consideration paid or payable for the assets sold or transferred (whether that consideration is to be satisfied in cash, shares, loan notes or a combination thereof or otherwise);
- (c) on a Share Sale, the total consideration paid or payable for all of the Shares (whether that consideration is to be satisfied in cash, shares, loan notes or a combination thereof or otherwise); and
- (d) on a Liquidation, the aggregate amount in money or money's worth available for distribution to Holders of Shares after payment of creditors

**"Family Trust"** means any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Founder and/or any of the Privileged Relations of that Founder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons)

**"Founder Director"** means any director appointed by the Founders from time to time

**"Founders"** means Alastair Sinclair, Lynn Sinclair and Nicholas Carroll

**"FSMA"** means the Financial Services and Markets Act 2000

**"Group Company"** means the Company or a Subsidiary of the Company or a Holding Company of the Company or a Subsidiary of the Holding Company of the Company

**"Holder"** in relation to shares means the member whose name is entered in the register of members as the holder of the shares

**"Independent Expert"** means an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within five Business Days of any party concerned proposing a firm, appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales

**"Investor Consent"** means the written consent of the Investor Majority

**"Investor Majority"** means one Existing Investor Director and one IW Capital investor Representative

**"Investor Representatives"** means the IW Capital Investor Representatives and the Existing Investor Directors

**"Invitees"** means a person or persons selected by the Board (with the consent of the Investor Majority) (in the 50 Business Days immediately following the date on which the Transfer Price is fixed, agreed or determined) being any employee or officer of the Company or Group Company or prospective employee or officer of the Company or Group Company or the trustees of an Employee Trust

**"IW Capital Investor Representatives"** has the meaning given to it in Article 12.1

**"Leaver"** means a Manager who ceases to be employed by a Group Company (unless he is immediately employed by another Group Company) for any reason and who is not a Bad Leaver

**"Leaver Shares"** means Shares held by a Leaver or a Permitted Transferee of a Leaver on the Leaver Transfer Date

**"Leaver Transfer Date"** means the date on which a member becomes a Leaver or a Bad Leaver

**"Liquidation"** means the passing of a resolution for the winding-up of the Company

**"Listing"** means the unconditional granting of permission for any of the Shares (or any ordinary shares arising on conversion) to be dealt in on any recognised investment exchange (as defined in section 285 of FSMA) and **"Listed"** will be construed accordingly

**"Manager"** means any person who is employed by any Group Company

**"Owner"** means a person beneficially entitled to Shares held by an Investor

**"Permitted Transferee"** in relation to a Founder, any of his Privileged Relations or the trustee(s) of a Family Trust

**"Privileged Relation"** means the spouse or civil partner (as defined in the Civil Partnerships Act 2004) of the relevant Founder and the Founder's children (including the adopted child of that Founder and the Founder's step-child or a child of a civil partner of that Founder)

**"Proceeds Available For Distribution"** means the Exit Proceeds less the amount of costs and expenses reasonably and properly incurred and borne by the Company in respect of any Exit Event

**"Recognised Investment Exchange"** bears the meaning set out in section 285 of FSMA

**"Relevant Percentage"** means:

$$\frac{X}{Y} \times 100$$

where  $X$  = number of Proposed Sale Shares pursuant to Article 27.2

and  $Y$  = number of B Ordinary Shares that are in issue

**"Share Sale"** means the completion of any transaction or series of transactions in which any Third Party Purchaser, his Connected Persons or group of such persons Acting in Concert purchases or otherwise obtains a Controlling Interest

**"Shares"** means shares in the equity share capital of the Company and any shares derived therefrom whether by conversion, consolidation or subdivision or by way of rights or bonus issue or otherwise for the time being in issue

**"Subsidiary"** and **"Holding Company"** have the meanings ascribed to such expressions by section 1159 of the Act

**"Third Party Purchaser"** means any person who is not a member or a Connected Person of a member

**"Transfer Notice"** means a notice in writing to the Company notifying a wish to transfer Shares under these Articles

2.2 Unless the context otherwise requires words or expressions which have particular meanings in the Model Articles or in the Act have the same meanings in these Articles.

2.3 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, whether to or in respect of Exit Proceeds or otherwise pursuant to these Articles, will be referred immediately for final determination to the Independent Expert. The Independent Expert will act as expert and not as arbiter and, unless stated otherwise in these Articles, their costs will be borne as directed by the Independent Expert. The written certificate of the Independent Expert will be conclusive and binding on the Company and the members except in the case of fraud or manifest error.

### **3 DECISION-MAKING BY DIRECTORS**

3.1 Any decision of the Directors must be:

3.1.1 a majority decision at a Directors' meeting; or



3.1.2 a decision taken in accordance with regulation 8 of the Model Articles; or

3.1.3 in the form of a Directors' written resolution,

and regulation 7(1) of the Model Articles is modified accordingly.

3.2 Any Director may call a Directors' meeting by giving not less than seven Business Days' notice of the meeting to each Director and to the Investor Representatives (if any).

#### **4 QUORUM FOR DIRECTORS' MEETINGS**

4.1 The quorum for Directors' meetings is four Directors provided that:

4.1.1 one IW Capital Investor Representative;

4.1.2 one Existing Investor Director; and

4.1.3 two Founder Directors,

if any, must also be present for the meeting to be considered quorate.

4.2 If a quorum is not present at a duly convened Directors' meeting, that meeting shall be adjourned to the same day in the next week at the same time and place (or to such other day and at such other time and place as the Directors may agree in writing) and at such adjourned meeting the quorum shall be those Directors then present.

4.3 Regulation 11(2) of the Model Articles does not apply to the Company.

#### **5 CASTING VOTE**

In the case of an equality of votes the chairman shall have a casting vote and regulation 13 of the Model Articles shall not apply to the Company.

#### **6 DIRECTORS' WRITTEN RESOLUTION**

6.1 Any Director may propose a Directors' written resolution.

6.2 The Directors, or the company secretary (if one is appointed), must propose a Directors' written resolution if a Director so requests.

6.3 A Directors' written resolution is proposed by giving notice of the proposed resolution to the Directors.

6.4 Notice of proposed Directors' written resolution must indicate:

6.4.1 the proposed resolution; and

6.4.2 the time by which it is proposed that the Directors should adopt it.

6.5 Notice of a proposed Directors' written resolution must be given in writing to each Director.

- 6.6 Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.
- 6.7 A proposed Directors' written resolution is adopted when all the Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting.
- 6.8 It is immaterial whether any Director signs the resolution before or after the time by which the notice proposed that it should be adopted.
- 6.9 Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Directors' meeting in accordance with the Articles.
- 6.10 The Directors, or the company secretary (if any), must ensure that the Company keeps a record, in Writing, of all Directors' written resolutions for at least 10 years from the date of their adoption.

## **7 DIRECTORS' CONFLICTS OF INTEREST**

- 7.1 Regulation 14 of the Model Articles does not apply.
- 7.2 This Article 7 contains provisions for dealing with Directors' conflicts of interest, so that the general duties of Directors set out in sections 171 to 177 of the Act (the "general duties") are not infringed by anything done (or omitted) by a Director in accordance with this Article. So far as is lawful, the general duties have effect subject to any authority given by or under this Article 7.
- 7.3 The authorisations in this Article 7 are subject to any more restrictive provisions contained in any contract between a Director and the Company, in any applicable policy or code adopted by the Company or in any conditions imposed in any authorisation under this Article 7. If any such provisions require disclosure or prior approval of any conflict of interest or benefit otherwise authorised by this Article, or impose conditions on any such authorisation (which may include conditions permitted by Article 7.9), the authorisations in this Article apply only to the extent that those requirements or conditions are complied with; provided that the Directors may excuse any non-compliance either before or after it occurs.
- 7.4 A Director may be an officer or employee of, engaged in any other capacity in, or have a direct or indirect interest in:
  - 7.4.1 any connected company;
  - 7.4.2 if he is a Director appointed by another company which has, under these Articles or any contract between members of the Company, a right to appoint a Director of the Company, his appointing company or any member of the same group as his appointing company;
  - 7.4.3 any company which does not compete to a material extent with the business of the Company;
  - 7.4.4 any company whose securities are dealt with on a Recognised Investment Exchange or on AIM or ISDX (or any successors to such markets), provided the Director's interest is limited to a direct or indirect holding of securities not amounting to more than 5% of the equity share capital of that company;

7.4.5 any trust or scheme whose primary purpose is the provision of pensions, life assurance or employee benefits or any employees' share scheme;

and may do anything in the ordinary course of acting in that character which is not calculated directly to harm the interests of the Company.

7.5 A Director may enter into any transaction in or relating to securities of the Company or its holding company or may have any interest arising as holder of securities of the Company or its holding company or in any transaction in his character as holder of such securities.

7.6 A Director may exploit any property, information or opportunity wholly outside the scope of the Company's business or that of its connected companies. This Article 7.6 does not authorise a Director to exploit property of the Company or confidential information of the Company or information received by the Company under a duty of confidentiality.

7.7 The Directors may authorise any matter proposed to them which otherwise would or might infringe the duty of a Director to avoid conflicts of interest. Provided that he has declared the nature and extent of his interest as if the matter were a transaction or arrangement with the Company in which he was interested, a Director may vote and be counted in the quorum on any resolution to authorise a conflict of interest of his and section 175(6) of the Act shall not apply.

7.8 The Directors may:

7.8.1 give any such authorisation subject to such conditions as they think fit;

7.8.2 vary or terminate the authorisation or waive, vary or terminate any such conditions at any time or excuse any non-compliance with such conditions either before or after it occurs, but any termination or variation will not affect anything done or omitted to be done by the Director prior to such termination or variation.

7.9 The conditions may include that the Director:

7.9.1 is to be excluded from discussions, whether at meetings of Directors or otherwise, relating to matters in respect of which he has the conflict of interest;

7.9.2 is not to be given documents or information relating to matters in respect of which he has the conflict of interest;

7.9.3 may not vote, or count in the quorum at any future meeting of Directors in relation to any resolution relating to matters in respect of which he has the conflict of interest.

7.10 A Director who holds a position outside the Company or its connected companies which does not give rise to a conflict of interest or which is authorised by or under this Article 7 who in that character obtains any information in respect of which he owes a duty of confidentiality to another person (other than a connected company or a Director of the Company) is under no obligation to disclose such information to the Company or to use or apply any such confidential information for the purpose of or in connection with the performance of his duties as a Director if to do so would amount to a breach of that confidence.

- 7.11 Any authorisation of a conflict of interest authorised by or under this Article 7 shall (unless the contrary intention appears) extend to any conflict of interest which may reasonably be expected to arise out of the matter authorised either at the time of giving the authority or subsequently.
- 7.12 A Director is not required to account to the Company for any remuneration, profit or other benefit which he gains from any matter in respect of which he has a conflict of interest which has been authorised by or under this Article 7, no contract, arrangement or transaction shall be avoided on the grounds of any conflict of interest so authorised, and the receipt of such remuneration, profit or benefit shall not constitute a breach of the Director's duty not to accept benefits from third parties.
- 7.13 The Company may by ordinary resolution authorise or ratify any contract, transaction, arrangement, conflict of interest, acceptance of a benefit or other proposal which might otherwise infringe or may have infringed the general duties, including any contravention of any provision of this Article 7. When shareholders ratify a conflict of interest the vote of any shareholder who is also an interested Director will not be counted.
- 7.14 A Director may accept from third parties and retain the benefit of:
- 7.14.1 entertainment of a character and extent that can reasonably be regarded as intended to foster relationships between the Company and such person and not to exercise improper influence over the decisions of the Director and in any event not exceeding (in the reasonable estimation of the Director) a cost of £1,000 on any occasion or £5,000 from any one company or person in any financial year of the Company;
  - 7.14.2 training, travel, meals, accommodation or other services or facilities in the ordinary course of the Director's functions on behalf of the Company;
  - 7.14.3 small gifts with a cost (in the reasonable estimation of the Director) not exceeding £250 from any one company or person in any financial year of the Company;
  - 7.14.4 frequent flyer or similar incentives for use of travel or accommodation, or incentives for the use of personal credit or debit cards for Company expenses, provided openly under a published scheme, where the value of the incentives (in the Director's reasonable estimation) does not exceed 2% of the expenditure on the item; and
  - 7.14.5 anything which would be permitted by paragraphs 7.14.1 to 7.14.4 but for any financial limit, if the Directors resolve to waive the financial limit in relation to that particular thing.
- 7.15 The Directors may authorise the receipt and retention by a Director or any specific benefit from a third party which has been disclosed to the Directors which is not authorised by Article 7.14.

## **8 ALTERNATE DIRECTORS**

- 8.1 Any Director (the "**Appointor**") may appoint as an Alternate any other Director, or any other person approved by resolution of the Directors, to:
- 8.1.1 exercise that Director's powers; and
  - 8.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Alternate's Appointor.

8.2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

8.3 The notice must:

8.3.1 identify the proposed Alternate; and

8.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that the proposed Alternate is willing to act as the Alternate of the Director giving the notice.

## **9 RIGHTS OF ALTERNATE DIRECTORS**

9.1 An Alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the Alternate's Appointor.

9.2 Except as the Articles specify otherwise, Alternate Directors:

9.2.1 are deemed for all purposes to be Directors;

9.2.2 are liable for their own acts and omissions;

9.2.3 are subject to the same restrictions as their Appointors; and

9.2.4 are not deemed to be agents of or for their Appointors.

9.3 A person who is an Alternate Director but not a Director:

9.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and

9.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

No Alternate may be counted as more than one Director for such purposes.

9.4 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

9.5 An Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his Appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an Alternate Director. But it shall not be necessary to give notice of such a meeting to an Alternate Director who is absent from the United Kingdom.

## **10 TERMINATION OF ALTERNATE DIRECTORSHIP**

- 10.1 An Alternate Director's appointment as an Alternate terminates:
- 10.1.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - 10.1.2 on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
  - 10.1.3 on the death of the Alternate's Appointor; or
  - 10.1.4 when the Alternate's Appointor's appointment as a Director terminates.

## **11 ASSOCIATE DIRECTOR**

The Directors may at any time and from time to time appoint any person to be an associate director with a title including the word "director". An associate director is not a Director and is not a member of the Board. The Directors may define and limit the powers and duties of any associate directors and may determine their remuneration, which may be in addition to their remuneration as managers or employees of any Group Company.

## **12 IW CAPITAL INVESTOR REPRESENTATIVES**

- 12.1 IW Capital Nominee Limited may, for so long as it holds B Ordinary Shares, appoint any two people as Directors or as observers (such person being referred to as the "**IW Capital Investor Representatives**") or remove such IW Capital Investor Representative provided that there shall not be more than two IW Capital Investor Representatives at any time. Upon request of the IW Capital Investor Representatives the Company shall procure that each such person is similarly appointed in relation to the board of directors of any Group Company. An observer shall be entitled to receive notice of, attend and speak (but not vote) at meetings of the relevant board(s) of directors.
- 12.2 Each IW Capital Investor Representative shall be entitled to appoint his successor.
- 12.3 No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the IW Capital Investor Representative has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.
- 12.4 Any such appointment, removal, consent or notice under this Article 12 shall be in writing served on the Company and signed by or on behalf of the Investor Representatives, as appropriate.

## **13 EXISTING INVESTOR DIRECTORS**

- 13.1 The Existing Investors may collectively, for so long as they hold B Ordinary Shares, have the right to appoint and maintain in office two people as directors (such people being referred to as the

**"Existing Investor Directors")** or remove such Existing Investor Directors providing that there shall not be more than two Existing Investor Directors at any time.

- 13.2 Each Existing Investor Director shall be entitled to appoint his successor.
- 13.3 Appointment and removal of an Existing Investor Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board.
- 13.4 The Company shall reimburse the Existing Investor Directors in accordance with the Company's expense policy with the reasonable costs and any out of pocket expenses incurred by the Existing Investor Director in respect of attending meetings of the Company or carrying out authorised business on behalf of the Company.

#### **14 FOUNDER DIRECTORS**

- 14.1 For so long as the Founders (i) are employed under their Service Agreements or any other agreement previously agreed by the IW Capital Investor Representative and (ii) hold 10% in aggregate of the Shares in issue they shall have the right to appoint and maintain in office three people as directors or remove such directors providing that there shall not be more than three Founder Directors at any time.
- 14.2 Each Founder Director may, with the consent of an IW Capital Investor Representative (not to be unreasonably withheld), appoint his successor.
- 14.3 Appointment and removal of a Founder Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board.

#### **15 SHARE CERTIFICATES**

Sub-paragraph (d) of regulation 24(2) of the Model Articles shall not apply.

#### **16 RESTRICTIONS ON ALLOTMENT OF SHARES**

- 16.1 Subject to the provisions of these Articles, the Directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:
  - 16.1.1 offer or allot;
  - 16.1.2 grant rights to subscribe for or to convert any security into; or
  - 16.1.3 otherwise deal in, or dispose of,any Shares in the Company to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 16.2 The authority referred to in Article 16.1:
  - 16.2.1 shall be limited to a maximum number (including all Shares in issue, or which the Company has agreed to issue, prior to the date of adoption of these Articles) of:
    - 16.2.1.1 203,146 issued A Ordinary Shares;

- 16.2.1.2 649,120 issued B Ordinary Shares;
- 16.2.1.3 47,101 issued C Ordinary Shares,
- 16.2.1.4 188,725 issued D Ordinary Shares; and
- 16.2.1.5 188,725 issued E Ordinary Shares,

or such other amounts as may from time to time be authorised by the Company by ordinary resolution;

- 16.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- 16.2.3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the Directors may make an offer or agreement which would, or might, require 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).

16.3 The Shares shall rank equally except as specifically set out in these Articles.

16.4 In accordance with section 570 of the Act, the Directors are generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Article 16.1, as if section 561 of the Act did not apply to any such allotment, provided that this power shall:

- 16.4.1 be limited to the allotment of equity securities up to the numbers of Shares stated in Article 16.2; and
- 16.4.2 expire on the date 5 years following the date of adoption of these Articles (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry.

16.5 The rights attaching to any class of the Shares may not be amended or altered in any way unless previously approved by:

- 16.5.1 the consent of an Investor Majority;
- 16.5.2 Holders of at least 75% of that class of Shares; and
- 16.5.3 Holders of at least 75% of the voting rights in respect of all Shares.

16.6 Subject to the provisions of the Acts, Shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the Holder on such terms and in such manner as may be provided by the Articles.

## **17 INCOME**

Any amounts that the Company may decide to distribute shall be distributed amongst the holders of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares pro rata to the aggregate number of Shares held by each of them.



## **18 RETURN OF CAPITAL AND PROCEEDS OF SALE**

- 18.1 On an Exit Event, the total Proceeds Available For Distribution will be paid to the members as if all the Equity Shares constituted one class of share pro rata to the aggregate number of Equity Shares held by them respectively.
- 18.2 In the event of a Share Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Share Sale the selling Holders of Shares shall immediately prior to such Share Sale procure that the consideration (whenever received) shall be placed in a designated trustee account and shall be distributed amongst such selling Holders of Shares in such amounts and in such order of priority as would be applicable on a return of capital pursuant to Article 18.1.
- 18.3 Upon the completion of an Asset Sale, all of the members shall procure that the Company is wound up and shall take all such steps as are required to wind up the Company and distribute the assets of the Company remaining after the payment of its liabilities to the members in accordance with Article 18.1.
- 18.4 Immediately prior to and conditionally upon a Listing:
- 18.4.1 the members shall enter into such reorganisation of the share capital of the Company as they may agree or, in default, as the Company's auditors shall specify to ensure that the members are in the same economic position as if the order of priority set out in Article 18.1 for the distribution of the Proceeds Available For Distribution had been applied to the Listing; or (if the board resolves otherwise)
- 18.4.2 the Company shall issue to each Holder for the time being of Shares, by way of automatic capitalisation of reserves, such number of new Shares as would put them in the same economic position as if the order of priority set out in Article 18.1 for the distribution of the Proceeds Available For Distribution had been applied to the Listing.
- 18.5 All Shares to be issued in accordance with Article 18.4.2 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the board and shall be credited as fully paid at par. Such a capitalisation shall be automatic and shall not require any action on the part of the members and the board shall allot the Shares arising on the capitalisation to the members entitled to them in accordance with Article 18.4.2. If and to the extent that the Company is not lawfully permitted to carry out the capitalisation required by Article 18.4.2 in full (whether by virtue of the Act or otherwise), each such Holder shall be entitled to subscribe in cash at par for the balance of that number of additional Shares as would otherwise have been issued pursuant to Article 18.4.2. The members shall procure (so far as they are lawfully able) that the board shall have sufficient authorisations required to issue the Shares which may fall to be issued under Article 18.4.2 or this Article 18.5.

## **19 ALLOTMENT OF SHARES**

- 19.1 Any new Shares or other securities of the Company will be offered by the Directors for subscription to the holders of the Shares as nearly as possible, on the same terms (and, without prejudice to the generality of the foregoing, including any obligation to subscribe for other securities or provide debt to the Group which can reasonably be considered as a term of the offer to subscribe for new Shares) in such proportions as is equal (as nearly as possible) to the proportion of Shares held by

them respectively at that time. Except with the consent of an Investor Majority, any B Ordinary Shares to be issued shall be allotted and issued only to the Holders of B Ordinary Shares.

- 19.2 The offer will be made by notice specifying the number and class of Shares or securities offered, the price per Share or security, and a time (being not less than 10 Business Days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the persons to whom such notice is given that they decline to accept some or all of the Shares or securities so offered, the Directors will offer the declined Shares or securities in the same proportions to the holders of Shares who have accepted all the Shares or securities initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Directors, be limited to a period of seven days after which it will (to the extent that any Shares or securities remain unaccepted) be deemed to have been withdrawn.
- 19.3 Any Shares or securities not taken up at the end of the procedure set out in Articles 19.1 and 19.2 may be offered by the Directors to a third party (to be approved by an Investor Majority (such approval not to be unreasonably withheld)) and, subject to these Articles and the provisions of the Act, such Shares or securities will 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 as they think fit. However:
- 19.3.1 no Shares will be issued at a discount;
  - 19.3.2 no Shares or securities will be issued more than three months after the end of the period for acceptance of the last offer of such Shares or securities under Articles 19.1 and 19.2 unless the procedure set out in those Articles is repeated in respect of such Shares or securities;
  - 19.3.3 no Shares or securities will be issued on terms which are more favourable than those on which they were offered to the members; and
  - 19.3.4 no Shares or securities will be issued to any person who, in the reasonable opinion of an IW Capital Investor Representative, is carrying on business directly or indirectly in competition with the Company or any member of the Group.
- 19.4 If, due to any inequality between the number of new Shares or securities to be issued and the number of Shares held by members entitled to have the offer of new Shares or securities made to them, any difficulty arises in the apportionment of any such new Shares amongst the members, such difficulties will be determined by the Board.
- 19.5 Shares may be issued as nil paid, partly paid or fully paid.
- 19.6 Regulation 24(2)(c) of the Model Articles shall be amended by the deletion of the words "that the shares are fully paid" and the insertion of the words "the extent to which the shares are paid up".
- 19.7 The Company may:
- 19.7.1 grant options by such arrangements and on such terms as the Board shall decide with the consent of an Investor Majority; and

- 19.7.2 issue and allot shares subject to such options free of all or any rights of pre-emption of any kind whatsoever and howsoever arising (whether under the Articles or otherwise).

## **20 PERMITTED TRANSFERS**

- 20.1 A Founder may, with the prior written consent of an Investor Majority (not to be unreasonably withheld), transfer all or any of his or its Shares to a Permitted Transferee.
- 20.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
  - 20.2.1 the Founder;
  - 20.2.2 any Privileged Relation(s) of the Founder;
  - 20.2.3 subject to Article 20.3, the trustee(s) of another Family Trust of which the Founder is the settlor; or
  - 20.2.4 subject to Article 20.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,without any price or other restriction.
- 20.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if an Investor Majority is satisfied:
  - 20.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
  - 20.3.2 with the identity of the proposed trustee(s);
  - 20.3.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - 20.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 20.4 If a Permitted Transfer has been made to a Privileged Relation of the Founder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 20 Business Days of ceasing to be a Privileged Relation of the Founder (whether by reason of death, divorce or otherwise) either:
  - 20.4.1 execute and deliver to the Company a transfer of the Shares held by him to the Founder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - 20.4.2 give a Transfer Notice to the Company in accordance with Article 21,failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 20.4.
- 20.5 Notwithstanding any other provision of this Article 20, a transfer of any Shares approved by the Directors (acting with Investor Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## 21 SHARE TRANSFER PROCEDURE

- 21.1 Any member holding Shares who wishes to transfer any of such Shares (a "**Vendor**") otherwise than in accordance with Article 20 shall give a Transfer Notice to the Company of his wish specifying:
- 21.1.1 the number of Shares which he wishes to transfer ("**Sale Shares**");
  - 21.1.2 the price per Share at which he wishes to sell such Sale Shares;
  - 21.1.3 the name and address of any third party to whom he proposes to transfer the Sale Shares and the terms of any offer made by that third party; and
  - 21.1.4 whether the Transfer Notice is conditional upon all and not part only of the Sale Shares so specified being sold pursuant to the offer hereinafter mentioned (a "**Total Transfer Condition**"), and in the absence of such stipulation it shall be deemed not to be so conditional.
- 21.2 Where any Transfer Notice is given in accordance with Article 21.1, the sale price of the Sale Shares shall, subject to the written approval of the Board (and with the consent of the Investor Majority), be the price per Share specified in the Transfer Notice pursuant to Article 21.1.2.
- 21.3 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified:
- 21.3.1 that all the Shares registered in the name of the Vendor shall be included for transfer;
  - 21.3.2 that the sale price of the Sale Shares shall be determined in accordance with Articles 21.4 to 21.6; and
  - 21.3.3 that the Transfer Notice is not conditional upon all and not part only of the Shares so specified being sold pursuant to the offer.
- 21.4 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the Vendor and the Board (with the consent of an Investor Majority) shall seek to agree the sale price of the Sale Shares the subject of the deemed Transfer Notice within 20 Business Days of the date of the Deemed Transfer Notice and, if agreement is reached such agreed price shall be the sale price of the Sale Shares the subject of the Deemed Transfer Notice.
- 21.5 In the event that agreement is not reached as to the sale price of the Sale Shares pursuant to Article 21.2 or 21.4 (as appropriate) or the consent of an IW Capital Investor Representative is not forthcoming within 20 Business Days of the date of the Transfer Notice or Deemed Transfer Notice, the Board shall within 30 Business Days of the Transfer Notice or, in the case of Article 21.4, within 30 Business Days of receiving notice of the events giving rise to the deemed issue of such Transfer Notice having occurred instruct the Independent Expert to determine in accordance with Article 21.6 the sale price of the Sale Shares the subject of the Transfer Notice. In the case of an Independent Expert being instructed because of a failure to agree the Sale Price pursuant to Article 19.4, the cost of instructing the Independent Expert shall, in the event that the price certified by the Independent Expert is less than the price offered for the Sale Shares by the

Board, be borne by the Vendor, and, in all other circumstances, shall be borne as to 50% by the Vendor and as to 50% by the Company.

- 21.6 Where the Independent Expert is instructed in accordance with these Articles the sale price of the Sale Shares shall be the value which the Independent Expert certifies in his opinion as a fair value of the Sale Shares. In arriving at his opinion of fair value, the Independent Expert will value the Sale Shares as at the date the Transfer Notice is deemed to have been served:
- 21.6.1 as shares in the Company on a going concern basis;
  - 21.6.2 as on an arm's length basis between a willing seller and a willing buyer;
  - 21.6.3 on the assumption that the Sale Shares are capable of transfer without restriction; and
  - 21.6.4 on the basis that there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares.
- 21.7 The sale price of the Sale Shares whether fixed, agreed or determined under these Articles shall be referred to as the "**Transfer Price**".
- 21.8 Any member (including the Vendor) shall be entitled to make representations, in connection with the calculation of the fair value of the Sale Shares to the Independent Expert within 20 Business Days of his appointment (which shall be notified to the members within 5 Business Days of being made) and the Independent Expert shall be required to take into account in calculating the fair value of the Sale Shares all reasonable representations so made to him.
- 21.9 The decision of the Independent Expert as to the Transfer Price shall, save in the case of clerical or manifest error appearing within 15 Business Days of the Independent Expert's determination of the Transfer Price, be final and binding. The Independent Expert's charges including disbursements and value added tax in connection with the determination will be paid as to one half by the Company and the other half by the Vendor.
- 21.10 No Transfer Notice once given in accordance with Article 21 shall be withdrawn without the consent in writing of the Board and the Investor Majority save in circumstances where the Transfer Price has been determined by the Independent Expert and such price is less than the price stated on the Transfer Notice (but not including any Deemed Transfer Notice).
- 21.11 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares specified therein at the Transfer Price.
- 21.12 Once the Transfer Price has been fixed, agreed or determined (as the case may be) the Company shall within 60 Business Days of the Transfer Price being fixed, agreed or determined give notice in writing to each of the members of the Company (other than the Vendor) and (in the case of Sale Shares which are Ordinary Shares held by a Manager only) to any Invitees and informing them that the Sale Shares are available and of the Transfer Price and shall invite each member (other than the Vendor) and each Invitee (where applicable) to state in writing within 25 Business Days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares at the Transfer Price. The notice in this Article shall not without the prior written consent of the Investor Majority be issued earlier than the

earlier of (i) 50 Business Days from fixing, agreement or determination of the Transfer Price and (ii) the Board stating in writing to the Company that there will be no Invitees or that the Company has been supplied with a list of all available Invitees. The Company shall not be required to give notice to any Invitees and to each of the Members in accordance with this Article 21.12 if:

21.12.1 an Invitee has given notice to the Company that he/it will acquire all of the Sale Shares; or

21.12.2 Invitees have given notice to the Company that they will, between them, acquire all of the Sale Shares; and

21.12.3 the consent of the Investor Majority has been obtained in respect of such Invitee or Invitees acquiring such Sale Shares.

21.13 The notice in Article 21.12 shall state that Sale Shares of a particular class specified in column (1) of the table below shall be treated as offered:

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

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

21.13.3 (where applicable) to the extent not accepted by persons in column (3), to all persons in the category set out in the corresponding line in column (4) in the table below

<b>(1) Description of Sale Share</b>	<b>(2) Offered first to:</b>	<b>(3) Offered second to:</b>	<b>(4) Offered third to:</b>
A Ordinary Shares	Invitees	Members holding A Ordinary Shares	Members holding B Ordinary Shares
B Ordinary Shares	Members holding B Ordinary Shares	Members holding A Ordinary Shares	Members holding C Ordinary Shares
C Ordinary Shares	Invitees	Members holding C Ordinary Shares	Members holding A Ordinary Shares and B Ordinary Shares
D Ordinary Shares	Invitees	Members holding D Ordinary Shares	-
E Ordinary Shares	Invitees	Members holding E Ordinary Shares	-

on terms that in the event of competition the remaining Sale Shares offered shall be sold to the members of the relevant class accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares ("**Proportionate Entitlement**"). It shall be open to each such

member to specify if he is willing to purchase the remaining Sale Shares in excess of his Proportionate Entitlement ("**Excess Shares**") and if the member does so specify he shall state the number of Excess Shares.

21.14 After the expiry of the offers to be made pursuant to Article 21.12 and 21.13 above the Board shall, in the priorities and in respect of each class of persons set out in the columns in the table in Article 21.13, allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles, save that:

21.14.1 if the total number of remaining Sale Shares applied for by any class of members is equal to or less than the available number of remaining Sale Shares for that class of members, the Company shall allocate to those applicants the number applied for in accordance with their applications;

21.14.2 if the total number of remaining Sale Shares applied for by any class of members is more than the available number of remaining Sale Shares, each relevant member shall be allocated his Proportionate Entitlement or such lesser number of remaining Sale Shares for which he may have applied and applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each member applying for Excess Shares in the proportion which the Shares held by such member bears to the total number of Shares held by all such members applying for Excess Shares in the relevant class and provided that such member shall not be allocated more Excess Shares than he shall have stated himself willing to take and in either case the Company shall forthwith give notice of each such allocation ("**Allocation Notice**") to the Vendor and each of the persons to whom remaining Sale Shares have been allocated ("**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 15 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares be completed.

21.15 Subject to Article 21.16, upon such allocation being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price for each of the Sale Shares, to transfer the Sale Shares as required by Article 21.14. If the Vendor makes default in so doing, any person nominated by the Investor Majority for that purpose shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Invitee and/or the Member Applicant (as appropriate) and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Invitee and/or the Member Applicant (as appropriate) in the register of members as the Holder or Holders by transfer of the Sale Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant Sale Shares to the Company when he shall thereupon be paid the purchase money.

21.16 If the Vendor shall have included (or be deemed to have included pursuant to these Articles) in the Transfer Notice a provision that unless all the Sale Shares are sold none shall be sold and if the aggregate number of Sale Shares applied for by Invitees and/or Member Applicants is less than the total number of Sale Shares then a further invitation shall be open for 25 Business Days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion

of the sales in accordance with the preceding paragraphs of this Article shall be conditional upon such provision as aforesaid being complied with in full.

- 21.17 In the event of all the Sale Shares specified in a Transfer Notice not being sold under the preceding paragraphs of this Article, the Company shall forthwith give notice in writing of this fact to the Vendor, and the Vendor may (with the Investor Majority's consent and subject to the provisos to this Article 21.18) at any time within three calendar months after receiving such notice from the Company that the pre-emption provisions herein contained have been exhausted, with the prior written approval of the Investor Majority transfer any Sale Shares, at a price not less than the Transfer Price, provided that if the Transfer Notice was conditional upon all and not part only of the Sale Shares so specified being transferred pursuant to the offer then all of the Sale Shares so specified must be sold to the third party.
- 21.18 Notwithstanding the provisions relating to the transfer of Shares in these Articles, if a transfer of Shares would result, if made and registered, in a person and/or his Connected Persons obtaining a Controlling Interest, no transfer of Shares shall be made or registered unless an Approved Offer is made and accepted.
- 21.19 Any transfer of Shares in the Company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these Articles.

## **22 DRAG ALONG**

- 22.1 If at any time an Approved Offer is made which is accepted by the Holders of more than 50% of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares ("**Selling Shareholders**") for all of their Shares ("**Sellers' Shares**") the members who have not accepted the Approved Offer ("**Called Shareholders**") shall be obliged to accept the Approved Offer in respect of the Shares held by them ("**Called Shares**") and to sell all of the Shares held by them in accordance with such Approved Offer.
- 22.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to a bona fide purchaser on arm's length terms ("**Proposed Buyer**"). The Drag Along Notice shall specify:
- 22.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article 22;
- 22.2.2 the person to whom the Called Shares are to be transferred;
- 22.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
- 22.2.4 the proposed date of the transfer.
- 22.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.



- 22.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 22.
- 22.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- 22.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
- 22.5.2 that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 30 Business Day after service of the Drag Along Notice.
- 22.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 22.2.3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 22.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 22 in respect of their Shares.
- 22.8 If any person (a "**Compulsory Transferor**") fails to transfer any Shares in accordance with Article 22 within 25 Business Days of the Approved Offer having been made the Directors may authorise any person to execute and deliver on his behalf the necessary stock transfer form transferring the relevant Shares with full title guarantee and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the Holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such Shares to the Company whereupon he shall be entitled to receive the purchase price without interest.
- 22.9 Save as expressly provided in these Articles, a transfer of Shares in accordance with these Articles shall mean a transfer of the entire legal and beneficial interest in such Shares, whereby a Shareholder cannot transfer one without the other.

## **23 DEEMED TRANSFER NOTICE**

- 23.1 Upon a person becoming a Leaver or a Bad Leaver (unless the Investor Majority agrees otherwise within 20 Business Days following the date on which that person becomes a Leaver or a Bad Leaver), an irrevocable Transfer Notice (a "**Deemed Transfer Notice**") shall be deemed to be

issued in respect of all the Leaver Shares or Bad Leaver Shares on the date 20 Business Days following the date on which that person becomes a Leaver or a Bad Leaver.

23.2 Leaver Shares or Bad Leaver Shares subject to any Deemed Transfer Notice shall be offered for sale in accordance with the provisions of Article 21 as if they were Sale Shares in respect of which a Transfer Notice had been given save that:

23.2.1 a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition; and

23.2.2 the Sale Shares shall be sold together with all rights, attaching thereto as at the date of the Deemed Transfer Event, including the right to any dividend declared or payable on those Shares after that date.

23.3 The Transfer Price for any Leaver Shares which are the subject of a Deemed Transfer Notice given pursuant to Article 23.1 shall be the price that is agreed between the Company and the Leaver in accordance with Article 21.4 and 21.5, save that in the event that the Leaver is Lynn Sinclair, the Transfer Price of any Leaver Shares held by her which are C Ordinary Shares shall be no less than £1.85 per C Ordinary Share.

23.4 Subject to Article 23.5, the Transfer Price for any Bad Leaver Shares which are the subject of a Deemed Transfer Notice given pursuant to Article 23.1 shall be the lower of:

23.4.1 the nominal value of the Bad Leaver Shares; and

23.4.2 the price that is agreed between the Company and the Bad Leaver in accordance with Article 21.4 and 21.5.

23.5 In the event that the Bad Leaver is Lynn Sinclair, the Transfer Price of any Bad Leaver Shares which are A Ordinary Shares shall be determined in accordance with Article 22.4 above. The Transfer Price for any Bad Leaver Shares which are C Ordinary Shares shall be no less than £1.85 per C Ordinary Share.

23.6 Once a person has become a Leaver or a Bad Leaver, all prior outstanding Transfer Notices in respect of the same Shares shall be immediately cancelled and no further Transfer Notices may be served in respect of the same Shares until the Company has notified the Vendor in accordance with Article 21.17 that not all of the Sale Shares have been sold in accordance with the provisions of Article 21.

23.7 Once a person has become a Leaver or a Bad Leaver, the Leaver Shares or Bad Leaver Shares shall cease, subject to Article 23.8, to have the right to receive notice of, attend, speak at or vote at general meetings of the Company or consent to holding general meetings on short notice (the "**Disenfranchised Rights**") until all of the Leaver Shares or Bad Leaver Shares have been sold in accordance with the provisions of Article 21 (the "**Disenfranchised Period**").

23.8 If the Board (with the consent of the Investor Majority) so resolves, the disenfranchisement of Leaver Shares or Bad Leaver Shares may be suspended during the Disenfranchised Period (provided that the Board (with the consent of the Investor Majority) may resolve by notice in writing to the Company that the disenfranchisement of Leaver Shares or Bad Leaver Shares may recommence at any time during the Disenfranchised Period).

## **24 GENERAL MEETINGS**

- 24.1 Each Holder of A Ordinary Shares, B Ordinary Shares and C Ordinary Shares shall be entitled to receive notice of, attend and vote at general meetings of the Company.
- 24.2 Each Holder of D Ordinary Shares and E Ordinary Shares shall not be entitled to receive notice of, attend or vote at general meetings of the Company.
- 24.3 Regulation 41 of the Model Articles applies with the addition of the following sentence:

"If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, any person or persons entitled to vote upon the business to be transacted, being (or each being) a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum if he is (or they are together) entitled to cast more than one half of the number of votes which might be cast at the meeting upon the business to be transacted; or in other circumstances, the meeting shall be dissolved."

## **25 WRITTEN RESOLUTIONS**

The joint holder of a share whose name comes first in the register of members in respect of the joint holding is authorised to agree to any written resolution on behalf of all the joint holders and to receive any document which is required by the Act to be supplied to the joint holders in connection with that resolution.

## **26 CHANGE OF COMPANY NAME**

The Directors may change the name of the Company by a Directors' written resolution in accordance with Article 6.

## **27 TAG ALONG**

- 27.1 If at any time the holders of the B Ordinary Shares ("**Proposed Sellers**") propose to sell, in one or a series of related transactions, a majority in nominal value of the B Ordinary Shares in issue ("**Majority Holding**") to any person other than pursuant to Article 20, the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this Article.
- 27.2 The Proposed Sellers shall give written notice ("**Proposed Sale Notice**") to the other holders of the equity share capital in the Company of such intended sale at least ten Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer ("**Proposed Buyer**"), the purchase price and other terms and conditions of payment, the proposed date of sale ("**Proposed Sale Date**") and the number of Shares proposed to be purchased by the Proposed Buyer ("**Proposed Sale Shares**").

- 27.3 Any other holder of equity share capital in the Company shall be entitled, by written notice given to the Proposed Sellers within five Business Days of receipt of the Proposed Sale Notice, to require that the Proposed Sellers ensure the sale of the Relevant Percentage of his equity share capital to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice.
- 27.4 If any other holder of equity share capital in the Company is not given the rights accorded him by the provisions of this article, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.

## **28 PURCHASE OF OWN SHARES**

- 28.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- 28.1.1 £15,000; and
- 28.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.