

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

**WRITTEN RESOLUTION**  
**of**  
**ANIMAL CARE NETWORK LIMITED**  
**(the Company)**  
**Company Number 08754906**

Circulation Date: *29 FEBRUARY* 2016

TUESDAY



In accordance with the provisions of Chapter 2 of Part 13 of the Companies Act 2006, the following resolutions are proposed as ordinary and special resolutions of the Company

**ORDINARY RESOLUTION**

- 1 **THAT**, in accordance with section 551 of the 2006 Act, the Directors be generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Act) in the Company up to an aggregate nominal amount of £2,563 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date falling five years from the date hereof save that the Company may, before such expiry, make an offer or agreement which would or might require preference shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act

**SPECIAL RESOLUTIONS**

- 2 **THAT**, subject to the passing of resolution 1 above and in accordance with section 570 of the 2006 Act, the directors of the Company be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 1 above, as if section 561(1) of the Act (or any provision of the articles of association of the Company containing rights of pre-emption) did not apply to any such allotment provided that this power shall
- (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £2,563, and
  - (b) expire on the date falling five years from the date hereof (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 and the directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired
- 3 **THAT**, the each of the issued ordinary shares of £1.00 each in the capital of the Company be subdivided into 10 ordinary shares of £0.10 each having the rights set out in the new articles of association to be adopted pursuant to resolution 4
- 4 **THAT**, the regulations contained in the printed document attached to this resolution be approved and adopted as the articles of association of the Company in substitution for and to the complete

exclusion of the existing articles of association of the Company

Please read the notes at the end of this document before signifying your agreement to the Ordinary Resolution and Special Resolutions

The undersigned, being the sole person entitled to vote on the above resolutions on the Circulation Date, hereby irrevocably agrees to the Ordinary Resolution and Special Resolutions



Date 29 FEBRUARY 2016

**James Moores**

**NOTES:**

- 1 If you agree to the resolutions, please sign and date this document to confirm your agreement and then return it to the Company using one of the following methods
  - **By Hand** delivering the signed copy to the registered office address
  - **Post** returning the signed copy by post to the registered office address
- 2 If you do not agree to the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the resolutions, you may not revoke your agreement
- 4 The resolutions set out above will lapse if the required majority of eligible members have not signified their agreement to it within 28 days of the Circulation Date. If you agree to the resolution please ensure that your agreement reaches us before that date
- 5 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 6 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document



**Turner Parkinson**

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**ARTICLES OF ASSOCIATION of  
ANIMAL CARE NETWORK LIMITED**

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Ref  
Draft  
Date

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Company number 08754906

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**ANIMAL CARE NETWORK LIMITED (the Company)**

**1. Interpretation**

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

<b>Act</b>	the Companies Act 2006,
<b>Adoption Date</b>	the date of the adoption of these Articles,
<b>Bad Leaver</b>	any Leaver who is not a Good Leaver, provided that if a Leaver Leaves prior to the two year anniversary of his engagement, for whatever reason, he shall be a Bad Leaver,
<b>Board</b>	the board of directors of the Company from time to time,
<b>Business Day</b>	a day other than a Saturday or Sunday or public holiday in England,
<b>Directors</b>	the directors for the time being of the Company or a quorum of such directors present at a duly convened meeting of the directors,
<b>Eligible Director</b>	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),
<b>Good Leaver</b>	any Leaver (a) who Leaves at any time and as a result of (i) death, (ii) permanent incapacity due to ill-health (except where such ill-health arises as a result of an abuse of drink or drugs) which, in the opinion of the Board is sufficiently serious to prevent him from carrying out his normal duties, (iii) dismissal by the Company where such dismissal has been found by a tribunal or court of competent jurisdiction to be unfair or wrongful other than as a consequence of some procedural irregularity, or (b) who the Board shall otherwise determine (in its absolute discretion) is a Good Leaver,
<b>Leaver</b>	means any Member (other than James Moores or Mike Bainbridge) holding less than 50% of the Shares for the time being

in issue who, having been an employee and/or director of and/or consultant or service provider to the Company, subsequently ceases to be an employee and/or director of and/or consultant or service provider to the Company, and **Leaves** shall be construed accordingly,

**Shareholders Agreement** the shareholder and subscription agreement dated on or around the date of the adoption of these Articles between the Members at the Adoption Date and the Company (as amended, varied or supplemented from time to time),

**Member** a registered holder for the time being of Shares,

**Model Articles** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles,

**Prescribed Period** the period commencing on the Notice Date (as defined in Article 12 5) and ending on the last day of either the First Offer Period or the Second Offer Period in accordance with Article 12 7 or 12 8 (as applicable),

**Share** an ordinary share of £1 in the capital of the Company having the rights and subject to the restrictions set out in these Articles,

**Third Party Purchaser** an individual or body corporate not being a Member or an **associate** (within the meaning of section 435 Insolvency Act 1986) of a Member,

**Transfer Notice** a notice in accordance with Article 12 3 that a Member desires to transfer his Shares, and

**Valuers** a firm of chartered accountants agreed between the Proposing Transferor (as defined in Article 12 3) and the Directors or, in default of agreement within 10 Business Days of the first name being proposed by either of them, as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Proposing Transferor or the Directors

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings 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 but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company

1 3 In these Articles a reference to

1 3 1 **holding company** and **subsidiary** shall have the meaning given to them in section 1159 of the Act provided that for the purposes of this letter (and for the interpretation of section 1159(1)(b) and (c) of the Act as applied herein, a company (the **first company**) shall be deemed to be a member of another company (the **second company**) in the

circumstances where section 112 of the Act apply or if (i) any shares in the second company are held by a person acting on behalf of the first company or any of its subsidiaries and/or (ii) if any shares in the second company are registered in the name of a person holding the same security in connection with the provision of financial facilities to the first company,

1 3 2 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists), and

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

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

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

1 6 Any question as to whether a person is **connected** with another shall be determined in accordance with section 1122 of the Corporation Tax Act 2010

1 7 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force

1 8 The Contracts (Rights of Third Parties) Act 1999 shall not apply to any rights under these Articles

## **2. 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 Articles 6(2), 11 to 14 (inclusive), 16, 26(5), 38, 43, 44(2), 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company

2 3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"

2 4 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

## **3. Directors' meetings**

3 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

3 2 Subject as provided in these Articles, the Directors may participate in Directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit

3 3 All decisions made at any meeting of the Directors or of any committee of the Directors shall be made only by resolution, and no such resolution shall be passed unless there is a majority vote for it. Each Director has one vote at a meeting of Directors.

3 4 The provisions of Article 5.2 shall apply equally to meetings of any committee of the Directors as to meetings of the Directors.

3 5 In addition to the powers of appointment under article 17(1) of the Model Articles, for the period during which James Moores (or any of his nominees) holds any Shares, James Moores shall be entitled to appoint such number of persons as he sees fit as Director. James Moores shall be entitled to remove any such person from office as Director and to appoint another person in the place of any Director so removed or who shall otherwise cease to be a Director.

#### **4. Decisions of Directors**

4 1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

4 2 Such a decision 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 3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter.

4 4 The chairman of Directors' meetings shall have a casting vote.

4 5 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

#### **5. Number of Directors and quorum**

5 1 Unless and until determined otherwise by a Members resolution, the minimum number of Directors shall be one and there shall be no maximum number of Directors. No shareholding qualification for Directors shall be required.

5 2 The quorum at any meeting of the Directors shall be two directors (unless only one Director shall have been appointed in which case the quorum shall be one Director).

5 3 No business shall be conducted at any meeting of the Directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time specified for the relevant meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned for 5 Business Days at the same time and place or to such time and place as the Directors determine. If at any adjourned meeting such quorum is not present within 30 minutes from the time appointed, then any one Eligible Director shall be a quorum.

#### **6. Directors' interests**

6 1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not so authorised, involve a Director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (a **Conflict**).

6 2 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently)

- 6 2 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 2 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 2 3 provide that the Interested Director may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution related to the Conflict,
- 6 2 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
- 6 2 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 2 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 3 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 Members in relation to the Conflict
- 6 4 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 5 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 (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
- 6 6 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act
- 6 7 Subject to sections 182(5) and 182(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 6 6
- 6 8 Subject, where applicable, to any terms and conditions imposed by the Directors in accordance with Article 6 2, and provided a Director has declared the nature and extent of his interest in



accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

6 8 1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested,

6 8 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

6 8 3 shall be entitled to vote at a meeting of Directors (or of a committee of Directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

6 8 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,

6 8 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, and

6 8 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 (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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

## **7. Alternate Directors**

7 1 Any Director (the **appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to

7 1 1 exercise that Director's powers, and

7 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

7 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

7 3 The notice must

7 3 1 identify the proposed alternate, and

7 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

7 4 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor

7 5 Except as these Articles specify otherwise, alternate directors

7 5 1 are deemed for all purposes to be Directors,

7 5 2 are liable for their own acts and omissions,

7 5 3 are subject to the same restrictions as their appointors, and

7 5 4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each 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

7 6 A person who is an alternate director but not a Director

7 6 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating), and

7 6 2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision, but does not participate)

7 7 A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision)

7 8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the appointor's remuneration as the appointor may direct by notice in writing made to the Company

7 9 An alternate director's appointment as an alternate terminates

7 9 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

7 9 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,

7 9 3 on the death of the alternate's appointor, or

7 9 4 when the alternate's appointor's appointment as a Director terminates

## **8. Secretary**

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, appoint a replacement, in each case by a decision of the Directors

## **9. Share rights**

9 1 As regards dividend, the Company shall, on the recommendation of the Board, apply distributable profits amongst the holders of the Shares in respect of their holding of such Shares *pari passu* and *pro rata* to the number of such Shares held by each of them

9 2 As regards capital, on a return of assets on liquidation or capital reduction or otherwise, the proceeds or (as applicable) the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Shares *pari passu* in proportion to the percentage of shares held by them in the Company

- 93 As regards voting in general meetings, the Members shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company, on a show of hands every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every Member so present shall have one vote for each Share held by him

#### **10. Issue of Shares**

- 101 Other than as may be determined by special resolution of the Company in general meeting, any unissued Shares from time to time shall, before they are issued, be offered to all the Members in proportion to the number of Shares held by them respectively (and such offer shall be at the same price and on the same terms to each such Member) Such offer shall be made by notice specifying the number of Shares offered, the proportionate entitlement of the relevant Member, the price per Share and limiting a period (being not less than 20 Business Days) within which the offer, if not accepted, will be deemed to be declined After the expiration of such period the Directors shall offer the Shares so declined to the persons who have, within the said period, accepted all the Shares offered to them in the same manner as the original offer (save that each Member's entitlement to Shares shall be the proportion that their holding of Shares bears to the total number of Shares held by those Members to whom the further offer is made) and limited by a period of not less than 10 Business Days If any Shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn in respect of such Shares At the expiration of the time limited by the notice(s) the Directors shall allot the Shares so offered to or amongst the Members who have notified their willingness to take all or any of such Shares in accordance with the terms of the offer No Member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take
- 102 In respect of any Shares not accepted pursuant to Article 10 1 above or not capable of being so offered except by way of fractions or in respect of any Shares released from the provisions of Article 10 1 by special resolution as therein specified, shall be at the disposal of the Company and the Directors may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no Shares shall be issued at a discount and provided further that, in the case of Shares not accepted as aforesaid, such Shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the Members, or at a discount No Share shall be issued more than 3 months after the end of the period for the acceptance of the last offer made under Article 10 1 unless the procedure in Article 10 1 and this Article 10 2 is repeated in relation to that Share
- 103 The discretion of the Directors contained in this Article as to the allotment and disposal of and the granting of any option over the Shares shall in any event be subject to the provisions of any agreement relating thereto binding on the Company from time to time and any directions contained in any resolution creating such Shares
- 104 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)

#### **11. Transfer of Shares**

- 111 Subject to Article 12, Shares may be transferred by transfer in writing in usual common form or in any other form approved by the Directors The instrument of transfer shall be signed by or on

behalf of the transferor and, when the Share is not fully paid, shall also be signed by the transferee

- 11.2 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is duly stamped and is accompanied by the relevant share certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do) All instruments of transfer which are registered may be retained by the Company
- 11.3 Notwithstanding any other provision of these Articles, the Board shall not register a transfer of any interest in a Share if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of the Board) is of unsound mind or unless the transfer is made in accordance with these Articles In either case (other than in respect of a transfer to a Third Party Purchaser under Article 14 or 15) if the transferee is not already a party to the Shareholders Agreement, he must have entered into a deed of adherence to, and in the form required by, the Shareholders Agreement
- 11.4 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance

## **12. Pre-emption on transfer**

- 12.1 Unless the Members agree to waive the requirements of this Article 12 by special resolution and save for any transfer made pursuant to Articles 14 or 15, the right to transfer Shares or any interest in Shares shall be subject to the following restrictions and provisions References in this Article 12 to Shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of such Shares
- 12.2 Any Shares held by James Moores may at any time be transferred without restriction
- 12.3 Any Member (other than James Moores) (the **Proposing Transferor**) proposing to transfer any Shares (the **Sale Shares**), shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company (a **Transfer Notice**), provided that any Shares held by James Moores shall be transferable without restriction as to price or otherwise The Transfer Notice shall specify
- 12.3.1 that he desires to transfer the Sale Shares,
- 12.3.2 whether or not he has received an offer from a Third Party Purchaser for the Sale Shares and if so the identity of such Third Party Purchaser and the price so offered, and
- 12.3.3 the price at which he is prepared to sell the Sale Shares in accordance with the following provisions of this Article 12 (the **Proposed Price**)
- 12.4 The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) during the Prescribed Period to the Company or any Members on the basis set out in the following provisions of this Article 12 and shall not be revocable except with the consent of the Directors or in accordance with Article 12.6
- 12.5 The Sale Shares shall be offered for purchase in accordance with this Article 12 at a price per Sale Share (the **Sale Price**) as agreed between the Proposing Transferor and the Directors or, in default

of such agreement, within 15 Business Days after the date of service of the Transfer Notice (the **Notice Date**), the lower of

12 5 1 the Proposed Price, and

12 5 2 the price per Sale Share (the **Valuers' Price**) as determined by the Valuers in accordance with Article 12 6,

provided that, in the event that a Proposing Transferor (other than James Moores or Mike Bainbridge) proposes to transfer any Shares prior to the second anniversary of the date on which such Shares were initially acquired by such Proposing Transferor, the price per Sale Share shall be par value

- 12 6 If the Sale Price shall not have been agreed between the Proposing Transferor and the Directors within the time limit prescribed in Article 12 5, then immediately following the expiry of such period the Directors shall refer the matter to the Valuers and the Valuers shall determine and certify the sum per Share, with all classes of shares being valued equally for the purposes of the valuation, considered by them to be the fair value thereof as at the Notice Date. The Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and (in the absence of fraud or manifest error) they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith. The cost and expense of the Valuers shall be borne by the Company save where the price determined by the Valuers is lower than the price offered by the Directors during the discussions referred to at Article 12 5, in which case the costs and expenses of the Valuers shall be borne by the Proposing Transferor. Save where the Transfer Notice is a Compulsory Transfer Notice given in accordance with Article 13 or otherwise, the Proposing Transferor may withdraw the Transfer Notice within 5 Business Days of the Valuers' Price being notified to him if it is less than the Proposed Price.
- 12 7 If the Transfer Notice is not withdrawn in accordance with these Articles, the Sale Shares shall be offered for purchase by the Company at the Sale Price by a written notice (the **First Offer Notice**) given within the later of 15 Business Days after the Sale Price is agreed or determined under Article 12 5 or the expiry of the period prescribed in Article 12 5. The period during which the Company may accept the offer contained in the First Offer Notice shall commence on the date of the First Offer Notice and terminate 10 Business Days thereafter (the **First Offer Period**).
- 12 8 Any Shares not accepted by the Company pursuant to Article 12 7 by the end of the last day of the First Offer Period shall be offered to the Members (other than any Member who has been served with a Compulsory Transfer Notice) for purchase at the Sale Price on the same terms as set out in Article 12 7 and the period during which the offer under this Article 12 8 may be accepted by a Member (the **Second Offer Period**) shall be a further period of 15 Business Days commencing on the day after the day on which the First Offer Period under Article 12 7 terminates and ending 15 Business Days thereafter.
- 12 9 Any Shares not accepted by the Company or any of the Members pursuant to the foregoing provisions of these Articles by the end of the last day of the Second Offer Period may be offered by the Proposing Transferor to such persons as he may think fit for purchase at the Sale Price for a period of three months commencing on the day after the day on which the Second Offer Period terminates.

- 12 10 After the expiry of the period in which all of the Sale Shares have been accepted, the Directors shall allocate the Sale Shares in accordance with the acceptances received on the basis set out in Articles 12 7 to 12 9 The Directors shall within 5 Business Days of the expiry of the period in which all of the Sale Shares have been accepted, give notice in writing (the **Sale Notice**) to the Proposing Transferor and to each accepting Member (each a **Purchaser**) specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them
- 12 11 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than 3 Business Days nor more than 10 Business Days after the date of the Sale Notice or anytime after the Sale Notice has been given if all the Sale Shares are to be purchased by the Company) when the Proposing Transferor, upon payment to him by a Purchaser or the Company (as the case may be) (each a **Proposing Transferee**) of the Sale Price in respect of the Sale Shares allocated to that Proposing Transferee, shall transfer those Sale Shares and deliver the relevant share certificates to that Proposing Transferee or cancel the relevant Sale Shares which have been purchased by the Company
- 12 12 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Proposing Transferee hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Proposing Transferee(s) to be registered as the holder(s) of such shares or cancel such shares that have been purchased by the Company The receipt of the Company for the purchase money shall constitute a good discharge to the Proposing Transferee(s) (who shall not be bound to see to the application thereof) and after the Proposing Transferee(s) has been registered or such shares cancelled (as the case may be) in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company

### **13. Compulsory transfers**

- 13 1 In the event of the death or bankruptcy of a Member, such Member (or his personal representatives or trustee in bankruptcy (as appropriate)) shall be required to serve a Transfer Notice in respect of all Shares held by him, and the provisions of Article 12 shall apply to the transfer of those Shares save that the price per Share at which the Shares held by such person(s) will be offered for sale pursuant to Article 12 will be fair value (by reference to the date of death or bankruptcy) as determined by the Valuers in accordance with Article 12 6 and the **Sale Price** will be construed accordingly in these Articles In the event of any Transfer Notice served in accordance with this Article 13 1, the Board (acting reasonably) may elect to defer payment of the Sale Price for a period of up to two years from such death or bankruptcy (as applicable), and the provisions of Article 12 shall be construed accordingly
- 13 2 In the case of a Shareholder (other than James Moores or Mike Bainbridge) (a **Compulsory Transferor**) who is also an employee and/or director of and/or consultant or service provider to the Company ceasing to hold such position at any time then, at any time after such cessation, the Directors may serve notice on such Compulsory Transferor requiring the Compulsory Transferor to give a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all of the Shares held by him

and the provisions of Articles 12 3 to 12 12 shall (subject to Articles 13 3 to 13 6) apply to the transfer of those Shares

- 13 3 If the Compulsory Transfer Notice is served by the Directors in accordance with Article 13 2 and the Shareholder is a Good Leaver then the price per Share at which the Shares held by the Compulsory Transferor will be offered for sale pursuant to Article 12 will be fair value as agreed between the Board and the relevant Shareholder or, failing such agreement within 10 Business Days of the date of the Compulsory Transfer Notice, as determined by the Valuers in accordance with Article 12 6 and the **Sale Price** will be construed accordingly in these Articles
- 13 4 If the Compulsory Transfer Notice is served by the Directors in accordance with Article 13 2 and the Shareholder is a Bad Leaver then the price per Share at which the Shares held by the Compulsory Transferor will be offered for sale pursuant to Article 12 will be the lower of (i) par value and (ii) fair value as determined by the Valuers in accordance with Article 12 6
- 13 5 For the purposes of determining fair value pursuant to Articles 13 3 and 13 4, the fair value of the relevant Shares shall be determined at the Termination Date (as defined in Article 13 6)
- 13 6 For the purpose of Article 13 2, the date upon which a Compulsory Transferor ceases to hold office as an employee and/or director of and/or consultant or service provider to the Company (the **Termination Date**) as described therein shall
- 13 6 1 where the employer and/or director of and/or consultant or service provider to the Company terminates or purports to terminate a contract of employment, directorship, consultancy of services by giving notice to the employee and/or director of and/or consultant or service provider to the Company of the termination of the engagement, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination) and the date (if any) for the termination expressly stated in such notice,
- 13 6 2 where the employee and/or director of and/or consultant or service provider to the Company terminates or purports to terminate an engagement by giving notice to the Company of such termination (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice,
- 13 6 3 where an employer or employee wrongfully repudiates the engagement and the other respectively accepts that the engagement has been terminated be the date of such acceptance by the employee or employer respectively,
- 13 6 4 where an engagement is terminated under the doctrine of frustration, be the date of the frustrating event, and
- 13 6 5 where a contract is terminated, be the date on which the person actually ceases to be an employee and/or director of and/or consultant or service provider to the Company

#### **14. Drag along right**

- 14 1 If, at any time, James Moores (the **Selling Member**) shall receive an offer from a Third Party Purchaser which he intends to accept to acquire all the Shares held by the Selling Member then the Selling Member shall have the option (the **Drag Along Option**) to require all the other Members (the **Remaining Members**) to transfer all their Shares (the **Remaining Shares**) to the

Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 14 and, for the avoidance of doubt, the provisions of Article 12 shall not apply to such proposed sale or transfer

14.2 The Selling Member shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to the Remaining Members at any time before the transfer of the Selling Member's Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Remaining Members are required to transfer all their Remaining Shares pursuant to this Article 14 to the Third Party Purchaser, the price at which the Remaining Shares are to be transferred (being not less than the price per Share payable by the Third Party Purchaser in respect of the Shares held by the Selling Member) and the proposed date of transfer. A Drag Along Notice shall be irrevocable unless the Third Party Purchaser refuses to acquire the Remaining Shares on the terms of this Article 14.

14.3 The Remaining Members shall be obliged to sell the Remaining Shares at the price specified in the Drag Along Notice and completion of this sale and purchase shall take place on receipt of the consideration payable for the relevant Shares and on the same date as the date proposed for completion of the sale of the Selling Member's Shares, unless

14.3.1 all the Remaining Members and the Selling Member agree otherwise, or

14.3.2 the date is less than 10 Business Days after the Drag Along Notice, in which case completion shall take place on the 10th Business Days after the Drag Along Notice.

14.4 Each of the Remaining Members shall, on service of the Drag Along Notice, be deemed to have appointed the Selling Member as his agent to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Remaining Shares to the Third Party Purchaser pursuant to this Article 14.

14.5 The terms upon which the Remaining Members shall sell pursuant to this Article 14 shall include a covenant to sell with full title guarantee.

14.6 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 14.

## **15. Tag along option**

15.1 No sale or transfer or other disposition of more than 50% of the Shares (the **Specified Shares**) to a Third Party Purchaser shall have any effect unless before the transfer is lodged for registration the Third Party Purchaser acquiring the Specified Shares has made a bona fide offer (a **Tag Along Offer**) in accordance with these Articles to purchase from the other Members such number of the Shares which are not Specified Shares (the **Tag Along Shares**). This Article is subject to the rights of the Selling Member in respect of the Drag Along Option as set out in Article 14.

15.2 A Tag Along Offer shall be in writing, shall specify the price at which the Tag Along Shares may be transferred (being the price payable by the Third Party Purchaser in respect of each of the Specified Shares), shall be open for acceptance for at least 15 Business Days and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within the time period prescribed for acceptance. The consideration payable pursuant to a Tag Along Offer shall be settled in full on completion of the sale and purchase of the Tag Along Shares and within 20 Business Days of the date of the offer.



- 15.3 Following the acceptance of a Tag Along Offer by a holder of any Tag Along Shares, that Member shall be obliged to sell the Tag Along Shares held by it to the Third Party Purchaser at the price specified in the Tag Along Offer and completion of this sale and purchase shall take place on the same date as the date of completion of the sale of the Specified Shares
- 15.4 The terms upon which the Remaining Members shall sell pursuant to this Article 15 shall include a covenant to sell with full title guarantee and the Members shall give normal commercial warranties and indemnities regarding the Company, and they shall be responsible for an appropriate proportion of any associated costs and expenses of such sale, including but not limited to, warranty and indemnity insurance (if any)
- 15.5 Each holder of Tag Along Shares who accepts a Tag Along Offer shall be deemed to have appointed each holder of Specified Shares severally as his agent to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Tag Along Shares held by such Member to the Third Party Purchaser pursuant to this Article 15

**16. Information concerning shareholdings and transfers**

- 16.1 For the purpose of ensuring that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder, or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in the transfer lodged for registration to furnish to the Company such information or evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 12 in respect of the Shares concerned
- 16.2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any Shares and such Transfer Notice is not duly given within a period of one month or such longer period as the Directors may allow for the purpose, such Transfer Notice shall be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the forgoing provisions of these Articles shall take effect accordingly
- 16.3 From (and including) the date on which the Directors have duly required a Transfer Notice(s) to be given pursuant to these Articles, all holders of Shares subject to such Transfer Notice(s) shall not transfer or encumber any of their Shares or any interest in their Shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles

**17. Proceedings at general meetings**

- 17.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy
- 17.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on
- 17.3 At a general meeting, on a show of hands every Member who is present in person or by proxy shall have one vote, unless the proxy is himself a Member entitled to vote, on a poll every

Member present in person or by proxy shall have one vote for each Share of which he is the holder, and on a vote on a written resolution every Member has one vote for each Share of which he is the holder

17 4 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

17 5 Article 44(3) of the Model Articles 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 Article

17 6 Article 45(1)(d) of the Model Articles shall be deleted and replaced 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 general meeting (or adjourned meeting) to which they relate"

17 7 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that Article

#### **18 Means of communication to be used**

18 1 Subject to Article 18 2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

18 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,

18 1 2 if properly addressed and sent by prepaid airmail to an address outside the United Kingdom, 72 hours after it was posted,

18 1 3 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

18 1 4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

18 1 5 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

18 2 Any notice, document or other information served on, or delivered to, an intended recipient under Article 12 may not be served or delivered in electronic form (other than by fax), or by means of a website

18 3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act

#### **19. Company seal**

The Company need not have a company seal and pursuant to section 44 of the Act, the Company may execute and deliver any document as a deed under the signature of any two directors or of one director and the secretary or by a sole director in the presence of a witness. A certificate in

respect of any shares or other securities in the Company shall be validly issued if it is executed as a deed as aforesaid

## **20. Indemnity**

20 1 A relevant Director (as defined in Article 20 3 below) shall be indemnified out of the Company's assets against any liability (other than a liability to the Company or an associated company) which that Director incurs in connection with

20 1 1 civil proceedings in relation to the Company or an associated company (other than a liability incurred in defending proceedings brought by the Company or an associated company in which final judgment is given against the Director),

20 1 2 criminal proceedings in relation to the Company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the Director is convicted and the conviction is final),

20 1 3 regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the Company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)), or

20 1 4 any application for relief under section 589 or 1157 of the Act unless the court refuses to grant the Director relief, and the refusal of relief is final

20 2 For the purposes of Article 20 1, a judgment, conviction or refusal of relief becomes final

20 2 1 if not appealed against, at the end of the period for bringing an appeal, or

20 2 2 if appealed against, at the time when the appeal (or any further appeal) is disposed of, and an appeal is disposed of

20 2 2 1 if it is determined and the period for bringing any further appeal has ended, or

20 2 2 2 if it is abandoned or otherwise ceases to have effect

20 3 In this Article 20

20 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

20 3 2 a **relevant Director** means any Director or former director of the Company

## **21. Insurance**

21 1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

21 2 In this Article 21

21 2 1 a **relevant officer** means any Director or former director of the Company, any other officer or employee or former officer or employee of the Company (but not its auditors) or any trustee of an occupational pension scheme (as defined in section 235(6) the Act) for the purposes of an employees' share scheme of the Company, and

21 2 2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to

the Company, any associated company (within the meaning of Article 20 3 above) or any pension fund or employees' share scheme of the Company