

Company number 08915716

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

12TH BATTALION PRODUCTIONS LIMITED ('the Company')

Passed on *13 March* 2016

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the resolution below was proposed by the directors of the Company and passed as a special resolution on the date stated above by the members of the Company

1. SPECIAL RESOLUTION

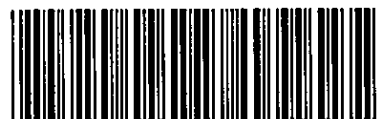
Adoption of Articles

THAT, the Company adopt new Articles of Association as are set out in the Articles of Association attached to this resolution and which are by this resolution adopted as the new Articles of Association in substitution for and to the complete exclusion of the existing Articles of Association of the Company



Director

FRIDAY



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01/04/2016

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COMPANIES HOUSE

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

12th BATTALION PRODUCTIONS LIMITED

(Adopted by special resolution passed on *13 March 2016*)

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AGREED TERMS

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings

Act: the Companies Act 2006,

Articles: the Company's articles of association for the time being in force,

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business,

Conflict: a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company,

Continuing Shareholder: has the meaning given in article 14.1,

Controlling Interest: an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,

"Crowdcube Shareholders" those persons to whom Shares are issued through the crowdfunding platform <https://www.crowdcube.com>,

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under article 14.1,

Fair Value: in relation to shares, as determined in accordance with article 15,

Interested Director: has the meaning given in article 9.1,

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 and reference to a numbered "Model Article" is a reference to that article of the Model Articles,

Original Shareholder: a shareholder who holds shares in the Company on the date of adoption of these Articles,

Permitted Group: in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary and any other subsidiaries, and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time,

Permitted Transfer: a transfer of shares made in accordance with article 13,

Permitted Transferee: in relation to a shareholder, any member of the same Permitted Group as that shareholder,

Purchase Notice: has the meaning given in article 14.2,

Sale Shares: has the meaning given in article 14.1,

Sale Price: has the meaning given in article 14 1(b),

Seller: has the meaning given in article 14 1,

Shares: the ordinary shares in the Company

Transfer Notice: an irrevocable notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares,

Valuers: the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 30 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator),

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 12 to article 14, article 15 and article 16, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax),

- 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 those meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time
- 1 6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision
- 1 7 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms

- 1 8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them

2. **ADOPTION OF THE MODEL ARTICLES**

- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2 2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 24, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) shall not apply to the Company
- 2 3 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

DIRECTORS

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 resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes
- 3 4 If at any time before or at any meeting of the directors all the Directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made No meeting of directors may be adjourned pursuant to this article more than once

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4 1 A decision of the directors is taken in accordance with this article when all 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 Director has signed one or more copies of it, or to which each Director has otherwise indicated agreement in writing
- 4 3 A decision may not be taken in accordance with this article if the Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7

5. NUMBER OF DIRECTORS

The number of directors shall not be less than two No shareholding qualification for directors shall be required

6. CALLING A DIRECTORS' MEETING

- 6 1 Any Director may call a meeting of Directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least two Directors) to each Director or by authorising the Company secretary (if any) to give such notice
- 6 2 Notice of any directors' meeting must be accompanied by
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting, and
 - (b) copies of any papers to be discussed at the meeting
- 6 3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing

7. QUORUM FOR DIRECTORS' MEETINGS

- 7 1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors
- 7 2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on

- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 30 Business Days at the same time and place

8. CHAIRING OF DIRECTORS' MEETINGS

The post of chairman of the directors will be held by any Director. The chairman shall have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

9. DIRECTORS' INTERESTS

- 9.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict 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.

- 9.2 Any authorisation under this article will be effective only if

- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 9.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) 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,
- (c) provide that the Interested Director will or will not be an Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- (e) 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

- (f) 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

- 9 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 9 5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation
- 9 6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 9 1 shall be necessary in respect of any such interest
- 9 7 Any director shall be entitled from time to time to disclose to the holders of the Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 9 8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 9 9 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
- 9 10 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 9 9

9 11 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9 3, 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

- (a) 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,
- (b) shall be an 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,
- (c) 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,
- (d) 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,
- (e) 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
- (f) 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

SHARES

10. SHARE CAPITAL

10 1 Except as otherwise provided in these Articles, the Shares shall rank *pari passu* in all respects

- 10 2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class
- 10 3 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting
- 10 4 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares
- (a) any alteration in the Articles, and
 - (b) any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital
- 10 5 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act

11. SHARE TRANSFERS: GENERAL

- 11 1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share
- 11 2 No share shall be transferred unless the transfer is made in accordance with these Articles or with the prior written consent of all the shareholders
- 11 3 Subject to article 11 4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles
- 11 4 Except in respect of any Shares issued to Crowdcube Shareholders, the directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of

any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) If any such condition is imposed in accordance with this article 11 4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

- 11 5 Any transfer of shares by way of a sale that is required to be made under article 15, article 14, article 16 or article 17 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee

12. ISSUE OF SHARES

- 12 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company

- 12 2 Subject to Article 12 3 below, all Shares which the Company proposes to allot shall first be offered for subscription to the shareholders in proportion to the aggregate number of Shares (*pari passu* held by them at that time *pari passu* and *pro rata* in all respects Such offer shall be made by notice in writing specifying the maximum number of Shares to which the relevant holder is entitled and a time (being ten Business Days from the offer) within which the offer (if not accepted) will be deemed to have been declined The offer may be accepted in whole or in part After the expiration of such time, or upon receipt by the Company of an acceptance or refusal of every offer so made, the board of directors shall be entitled to allot and issue any Shares so offered

- 12 3 The pre-emption rights referred to at Article 12 2 above, shall not apply in respect of the first set of issued Shares that are to be offered or allotted up to such number of Shares representing £150,000 worth of share capital, the day after the adoption of these Articles

13. SHARE CERTIFICATES

- 13 1 The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the board of directors may resolve to do so
- 13 2 The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders

13 3 If the board of directors resolves to issue a Share certificate it may be issued under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director and the Secretary. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. The board of directors may by resolution decide, either generally or in any particular case or cases, that any signatures on any Share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person.

13 4 Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery.

14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

14 1 Except where the provisions of article 14 or article 15 apply, a shareholder (**Seller**) wishing to transfer its shares (**Sale Shares**) must give a Transfer Notice to the other shareholder (**Continuing Shareholder**) giving details of the proposed transfer including

- (a) the identity of the proposed buyer, and
- (b) the price (in cash) at which it proposes to sell the Sale Shares (**Sale Price**)

14 2 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller that it wishes to purchase the Sale Shares at the Sale Price (**Purchase Notice**).

14 3 The Continuing Shareholder is bound to buy all the Seller's Sale Shares at the Sale Price when it gives a Purchase Notice to the Seller under article 14 2.

14 4 If, at the expiry of the period specified in article 14 2, the Continuing Shareholder has not given a Purchase Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (subject to the provisions of article 14 and article 15 where applicable) at a price not less than the Sale Price provided that it does so within 1 month of the expiry of the period specified in article 14 2.

15. PERMITTED TRANSFERS

15 1 An Original Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in article 13.

15 2 A shareholder holding shares in the Company as a result of a Permitted Transfer made after the date of adoption of these Articles by an Original Shareholder under the provisions of this article 14 may at any time transfer all (but not some only) of its shares back to the Original Shareholder from whom it received those shares or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 13

15 3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a member of the Permitted Group transfer all of the shares in the Company held by it to

- (a) the Original Shareholder from whom it received those shares, or
- (b) another Permitted Transferee of that Original Shareholder,

(which in either case is not in bankruptcy) If the Permitted Transferee fails to make a transfer in accordance with this article 15 3, 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 15 3

16. **COMPULSORY TRANSFERS**

16 1 A shareholder is deemed to have served a Transfer Notice under article 14 1 immediately before any of the following events

- (a) a bankruptcy petition being presented for the shareholder's bankruptcy, or
- (b) an arrangement or composition with the shareholder's creditors being made, or
- (c) the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally, or
- (d) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986, or
- (e) any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all of the shareholder's assets, or
- (f) the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets, or
- (g) his death, or
- (h) the shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986, or
- (i) the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding, or

- (j) the shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 30 Business Days of the holder) of a majority of the shares requiring such remedy

16 2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 16, save that if the Seller is deemed to have given a Transfer Notice as a result of article 15 1(j), the price for the Sale Shares shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Value of such Sale Shares,
- (b) if the Continuing Shareholder does not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller has the right to sell the Sale Shares to a third party under the same terms of the Deemed Transfer Notice and for the price as determined by the Valuers

16 3 A Deemed Transfer Notice under article 15 1(j) shall immediately and automatically revoke

- (a) a Transfer Notice served by the relevant shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 15 1(j), and
- (b) a Deemed Transfer Notice deemed to be served by the relevant shareholder under any of the events set out in article 15 1(a) to article 15 1(i) (inclusive) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 15 1(j)

16 4 If the Seller fails to complete a transfer of Sale Shares as required under this article 15, the Continuing Shareholder is irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Continuing Shareholder

17. VALUATION

17 1 As soon as practicable after deemed service of a Transfer Notice under article 15, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares

- 17 2 The Valuers shall be requested to determine the Fair Value within 30 Business Days of their appointment and to notify the shareholders in writing of their determination
- 17 3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions
- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares,
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
 - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer,
 - (d) the Sale Shares are sold free of all encumbrances,
 - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value, and
 - (f) to take account of any other factors that the Valuers reasonably believes should be taken into account
- 17 4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require
- 17 5 To the extent not provided for by this article 16, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation
- 17 6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud)
- 17 7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation shall be borne by the shareholders equally

18. TAG ALONG

- 18 1 After first giving a Transfer Notice to the Continuing Shareholder and going through the procedure set out in article 13, the provisions of article 18 2 to article 18 6 shall apply if the holder of the Shares in issue for the time being (**Seller**) proposes to transfer the Shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Buyer**) acquiring a Controlling Interest in the Company
- 18 2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (**Offer**) to the holder of the remaining holders of the Shares in issue for the time being to purchase all of the Shares held by it for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in the Proposed Transfer (**Specified Price**)
- 18 3 The Offer shall be made by written notice (**Offer Notice**), at least 7 Business Days before the proposed transfer date (**Transfer Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Buyer,
 - (b) the Specified Price and other terms and conditions of payment,
 - (c) the Transfer Date, and
 - (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**)
- 18 4 If the Buyer fails to make the Offer in accordance with article 18 2 and article 18 3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 18 5 If the Offer is accepted by the holder of the holders of the remaining Shares in writing within 7 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder
- 18 6 The Proposed Transfer is subject to the rights of pre-emption set out in article 13, but the purchase of the Offer Shares shall not be subject to those provisions

19. DRAG ALONG

- 19 1 After first giving a Transfer Notice to the Continuing Shareholder and going through the procedure set out in article 13, if the Seller wishes to transfer more than 50% (in one or a series of transactions) of the Shares to a bona fide purchaser on arm's length

terms (**Proposed Buyer**), the Seller may require the holders of the remaining Shares (**Called Shareholder**) to sell and transfer all of its shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**)

- 19 2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder (**Drag Along Notice**) at any time before the transfer of the Shares to the Proposed Buyer. The Drag Along Notice shall specify
- (a) that the Called Shareholder is required to transfer all of its Called Shares pursuant to this article 18,
 - (b) the person to whom the Called Shares are to be transferred,
 - (c) 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 Shares, and
 - (d) the proposed date of the transfer
- 19 3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold the Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19 4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 19 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 Shares unless
- (a) the Seller and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them, or
 - (b) that date is less than 30 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15 Business Day after service of the Drag Along Notice.
- 19 6 The proposed sale of the Shares by the Seller to the Proposed Buyer is subject to the rights of pre-emption set out in article 13, but the sale of the Called Shares by the Called Shareholder shall not be subject to those provisions.
- 19 7 On or before the Completion Date, the Called Shareholder shall execute and deliver a stock transfer form for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholder,

on behalf of the Proposed Buyer, the amounts due pursuant to article 19 2 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 Shareholder in trust for the Called Shareholder without any obligation to pay interest.

- 19 8 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 Shareholder shall be entitled to the return of the stock transfer form and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this article 18 in respect of its Shares.
- 19 9 If the Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 19 7) transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Seller to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 19 9.

DECISION MAKING BY SHAREHOLDERS

20. QUORUM FOR GENERAL MEETINGS

- 20 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom two shall be holders of the Shares.
- 20 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.

21. CHAIRING GENERAL MEETINGS

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

22. VOTING

- 22 1 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote, on a poll every shareholder 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 shareholder has one vote for each share of which he is the holder

23. POLL VOTES

- 23 1 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
- 23 2 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

24. PROXIES

- 24 1 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"
- 24 2 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

25. ELECTRONIC COMMUNICATION

- 25 1 Without prejudice to article 48 of the Model Articles, notices and any other communications sent or supplied, by or to shareholders or directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such shareholder or director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such shareholders or directors)
- 25 2 For the purposes of article 25 1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by shareholders or directors are up to date and current, and it is the sole responsibility of each shareholder and director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address In this regard, all

shareholders and directors agree that the Company has no responsibility to any shareholder or director who fails to receive any notice or other communication as a result of the shareholder or director failing to comply with this article 25 2

- 25 3 When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Act
- 25 4 Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient 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, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission
- 25 5 The Company's obligation to send or supply any notice or communication to shareholders or directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control
- 25 6 Each shareholder and director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website