

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

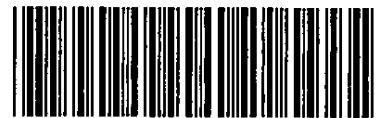
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WRITTEN RESOLUTIONS

of

CHEERFY LTD  
(the "Company")

WEDNESDAY



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COMPANIES HOUSE

Circulation Date: 21 July 2015

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as written resolutions of the Company having effect, in the case of resolution 1, as an ordinary resolution and, in the case of resolutions 2 and 3, as special resolutions (together, the "**Resolutions**").

**ORDINARY RESOLUTION**

- 1 **THAT** the directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), to allot equity securities (as defined in section 560 of the Act) in the Company and to grant rights to subscribe for, or to convert any security into, shares of the Company ("**Rights**") up to a maximum aggregate nominal amount of
- 1 1 £0 1074 otherwise than pursuant to a share option plan of the Company; and
- 1 2 £0 1597 pursuant to a share option plan of the Company,

provided that this authority will expire on the date being five years from the date on which this Resolution is passed, but the Company may before this authority expires make an offer or agreement which would or might require shares to be allotted or Rights granted after this authority expires and the directors may allot shares and grant Rights pursuant to such offer or agreement as if this authority had not expired

**SPECIAL RESOLUTIONS**

- 2 **THAT**, subject to the passing of Resolution 1, and in accordance with section 570 of the Act, the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) and Rights pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall.
- 2 1 be limited to the allotment of equity securities and Rights up to an aggregate nominal amount of:

- 2 1.1 £0 1074 otherwise than pursuant to a share option plan of the Company,  
and
- 2.1.2 £0 1597 pursuant to a share option plan of the Company,
- 2 2 expire on the date being five years from the date on which this Resolution is passed  
(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  
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 draft regulations attached to this resolution be approved and adopted as  
the articles of association of the Company in substitution for, and to the exclusion of,  
the existing articles of association.

#### AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the  
Resolutions.

The undersigned, the person entitled to vote on the above Resolutions on the Circulation  
Date, hereby irrevocably agrees to the Resolutions -




**CARLOS GOMEZ VENDRELL**

21 July 2015 ..  
DATE



**ADRIAN MASEDA FERNANDEZ**

21 July 2015 ...  
DATE



**VALENTIN MORENO PERULERO**

21 July 2015 .....  
DATE

## NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using the following method -

- E-mail by attaching a scanned copy of the signed document to an e-mail and sending it to [jonathan.snade@thomasegggar.com](mailto:jonathan.snade@thomasegggar.com) Please enter "Written Resolutions" in the e-mail subject box.

If you do not agree to all of the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 3 Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date
- 4 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.
- 5 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



Date: 21 July 2015

ARTICLES OF ASSOCIATION  
relating to Cheerfy Ltd

(adopted by special resolution passed on 21 July 2015)

Ref. 45139680

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION**

**OF**

**CHEERFY LTD, COMPANY NUMBER 09165801**

(Adopted by special resolution passed on 21 July 2015)

**Introduction**

**1 INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006,

**Adoption Date:** means the date of these Articles;

**Appointor:** has the meaning given in Article 6.1;

**Articles:** means the Company's articles of association for the time being in force;

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

**Board Observer:** means an individual appointed in accordance with Article 6.2 who shall be permitted to attend and participate at board meetings of the Company and any subsidiary undertaking of the Company, and who shall receive all information provided to members of the board (including minutes of board meetings), but who shall not be permitted to vote on matters submitted for a vote of the directors;

**Conflict:** has the meaning given in Article 4.2;

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

**Employee Share Option Scheme:** means any share option scheme for employees, directors and/or consultants as may be established by the Company from time to time;

**Fair Value:** means the value of the relevant shares determined in accordance with Article 19.20;

**Founders:** means Adrian Maseda Fernandez and Carlos Gomez Vendrell;

**Founder Director:** means any director appointed by a Founder;

**Investor Majority:** means Investors holding a simple majority of the shares held by all Investors;

**Investors:** means the investors in the Company as at the date on or around the date of adoption of these Articles and such other person as may be admitted by the Company from time to time as an Investor;

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

**Valuers:** means the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the parties or, in the absence of agreement between the parties on the identity of the expert within 10 Business Days of a party 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).

- 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.
- 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, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - 1.5.1 any subordinate legislation from time to time made under it; and
  - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
  - 1.9.1 the insertion of the words "for the time being" at the end of Article 7(2)(a); and
  - 1.9.2 the insertion in Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.11 In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 10," after the word "But"
- 1.13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2) of the Model Articles," after the words "the transmittee's name".

- 1.14 Articles 31(1)(a) to (c) (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". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **Directors**

### **2 DECISIONS**

- 2.1 A decision of the directors is taken in accordance with this Article when a majority of Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 2.2 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.
- 2.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

### **3 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 3.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 3.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 3.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 3.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;



- 3.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 3.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 3.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such 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

#### **4 DIRECTORS' CONFLICTS OF INTEREST**

- 4.1 Where a director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest that director shall, provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, be entitled to be counted as participating in the decision making process for the purposes of voting and quorum
- 4.2 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 authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**").
- 4.3 It will not be necessary for the directors to authorise a Conflict in the event that the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a director from being counted as part of the decision making process and the director shall, provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, be entitled to be counted as participating in the decision making process for the purposes of voting and quorum.

- 4.4 Any authorisation under this Article 4 will be effective only if:
- 4.4.1 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;
  - 4.4.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
  - 4.4.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 4.5 Any authorisation of a Conflict under this Article 4 may (whether at the time of giving the authorisation or subsequently):
- 4 5 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;
  - 4.5.2 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;
  - 4.5 3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 4 5.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
  - 4 5.5 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

- 4.5.6 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.
- 4.6 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.
- 4.7 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
- 4.8 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 or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **5 NOTICE AND QUORUM**

- 5.1 Meetings of the board of directors shall take place at least 4 times in each year, with a period of not more than 13 weeks between any two meetings
- 5.2 Any director may call a meeting of the directors, or authorise the company secretary (if any) to give such notice. At least 10 Business Days' advance notice of each such meeting shall be given to each director (except with the prior consent in writing of the directors, when meetings of the directors may take place less frequently or on shorter notice)
- 5.3 Subject to Article 5.4, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors.
- 5.4 For the purposes of any meeting (or part of a meeting) held pursuant to Article 4 to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

5.5 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision

5.5 1 to appoint further directors; or

5.5 2 to call a general meeting so as to enable the shareholders to appoint further directors.

## **6 APPOINTMENT OF DIRECTORS**

6.1 The Founders shall each have the right to appoint a Founder Director (who may be himself) and to remove and replace any such Founder Director.

6.2 The Investor holding the largest number of Shares out of all Investors from time to time shall from time to time have the right, to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Board Observer and to remove any such Board Observer and to appoint a replacement.

6.3 A Founder Director may at any time be removed from office by the appointing Founder giving written notice to the Company. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.

6.4 If any Founder Director shall die or be removed from or vacate office for any cause, the remaining Founder may appoint in his place another person to be a Founder Director

6.5 Any appointment or removal of a director or Board Observer pursuant to this Article shall be in writing and signed by or on behalf of the relevant shareholder(s) and served on the Company at its registered office, and on the director or Board Observer (as appropriate), in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as may be specified in such notice.

6.6 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

## **7 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

7.1 Any director ("**appointer**") 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.

## **8 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

8.1 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.

8.2 Except as the Articles specify otherwise, alternate directors:

8.2.1 are deemed for all purposes to be directors;

8.2.2 are liable for their own acts and omissions;

8.2.3 are subject to the same restrictions as their appointors; and

8.2.4 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

**8.3 A person who is an alternate director but not a director:**

8.3.1 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);

8.3.2 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); and

8.3.3 shall not be counted as more than one director for the purposes of Articles 8.3.1 and 8.3.2.

8.4 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), but shall not count as more than one director for the purposes of determining whether a quorum is present.

8.5 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 alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

**9 TERMINATION OF ALTERNATE DIRECTORSHIP**

9.1 An alternate director's appointment as an alternate terminates:

9.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

9.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

9.1.3 on the death of the alternate's appointor; or

9.1.4 when the alternate's appointor's appointment as a director terminates.

## **10 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.

## **11 RECORDS OF DECISIONS TO BE KEPT**

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.

## **Shares**

## **12 SHARES**

Shares may be issued as nil, partly or fully paid.

## **13 LIEN**

13.1 The Company shall have a first and paramount lien on every part paid or nil paid share for all monies, whether presently payable or not, called or payable at a fixed time in respect of the share whether the period for the payment has actually arrived or not, and notwithstanding that it is the joint debt or liability of the member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall take priority over any third party's interest in such shares and shall extend to all dividends or other monies payable on or in respect of it, together with any interest or expenses which may have accrued. The directors may resolve that any share is wholly or in part exempt from the provisions of this Article.

13.2 The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 15 Business Days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, has been given to the holder of the share or the person entitled to it by reason of his death or bankruptcy.

13.3 To give effect to the sale the directors may authorise any person to transfer the shares sold to, or in accordance with the directions of, the purchaser. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money and his title to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale. The net proceeds of sale, after payment of the costs of sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists, so far as it is presently payable. Any residue shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the time of the sale

#### **14 FORFEITURE OF SHARES**

- 14.1 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment, the directors may, whilst any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of the non-payment.
- 14.2 The notice shall name a further day (not being less than five Business Days from the date of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The directors may accept the surrender of any share liable to be forfeited and, in such case, references in these Articles to forfeiture shall include surrender.
- 14.3 If the requirements of the notice are not complied with, any share in respect of which it has been given may before payment of all calls and interest and expenses due in respect of it has been made be forfeited by a resolution of the directors. Forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture
- 14.4 A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder or entitled to it, or to any other person, upon such terms and in such manner as the directors think fit. At any time before a sale or disposition,



the forfeiture may be cancelled on such terms as the directors think fit, subject always to the provisions of section 662 of the Act.

- 14.5 A shareholder whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall remain liable to pay to the Company all sums which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest from the date of forfeiture until payment at such rate not exceeding 10 per cent per annum as the directors determine. The directors shall be at liberty to waive payment of interest wholly or in part and may enforce payment without any allowance for the value of the shares at the time of forfeiture.
- 14.6 When a share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any failure to give notice.
- 14.7 A statutory declaration in writing that the declarant is a director or the secretary of the Company and that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal, together with the relevant share certificate delivered to a purchaser or allottee shall (subject to the execution of a transfer if required) constitute a good title to the share. The person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share. Every director is authorised to execute on behalf of the shareholder whose share is forfeited a proper instrument of transfer of the share
- 14.8 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if it had been payable by virtue of a call duly made and notified

## **15 CONSOLIDATION OF SHARES**

- 15.1 Upon a consolidation of fully paid shares into shares of larger amount the directors may settle any difficulty which arises and in particular may, as between the holders of shares consolidated, determine which shares are consolidated into each consolidated share.
- 15.2 In the case of any shares registered in the name or names of one or more members being consolidated with shares registered in the name or names of another member or members, the directors may make such arrangements for the sale of the consolidated share or for the issue, acceptance or sale of fractional certificates and may sell the consolidated share or the fractions represented by fractional certificates, either upon the market or otherwise, to such person or persons at such times and at such prices as they think fit.
- 15.3 For the purpose of giving effect to a sale the directors may appoint any person to transfer the shares or fractions sold to the purchasers. The directors shall distribute the net proceeds of sale among the members rateably in accordance with their interests in the consolidated share or the fractions represented by the fractional certificates save where the amount to be distributed to a member in respect of any such interest or fraction amounts to less than £3.00 (or such greater amount as the directors may determine), in which case any such amount may be retained for the benefit of the Company.

## **16 TRANSMISSION OF SHARES**

- 16.1 The estate of the deceased member shall be subject to the same liabilities in respect of a share solely or jointly held by that member.
- 16.2 For the avoidance of doubt, death, insolvency (or any other liquidation procedure) or bankruptcy of a shareholder holding less than 50% of the issued share capital of the Company shall trigger the service of a Transfer Notice in respect of those shares held within 30 Business Days of the death, insolvency (or any other liquidation procedure) or bankruptcy event, and transfer shall be at Fair Value or at the price per share that the member originally paid, whichever is the higher.

## **17 DIVIDENDS AND OTHER DISTRIBUTIONS AND CAPITALISATION OF PROFITS**

- 17.1 The directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which

shall at the discretion of the directors be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the discretion of the directors either be employed in the business of the Company or be invested in such investments as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

17.2 The directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

17.3 Dividends shall be declared and paid according to the amounts (if any) paid up on the shares to which the dividend relates and shall be apportioned and paid according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is declared

17.4 A capitalised sum which was appropriated from profits available for distribution may also be applied in or towards paying up any amount on any existing nil or partly paid share held by the persons entitled thereto and Article 36(4) of the Model Articles shall be modified accordingly.

## **18 FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS**

18.1 In accordance with section 657(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.

18.2 Subject to Article 18.5, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to such other person on a *pari passu* basis and *pro rata* to the nominal value of shares held by those shareholders (as nearly as possible without involving fractions).

18.3 The offer:

18.3.1 shall be in writing, shall be open for acceptance for a period of fifteen days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

- 18.3.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities ("**Excess Securities**") for which he wishes to subscribe.
- 18.4 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 18.1 and 18.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 18.3.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants as nearly as practicable in the proportion that the number of Excess Securities each shareholder indicated he would accept bears to the total number of Excess Securities applied for (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders.
- 18.5 The Company shall not be required to comply with its obligations under Article 18.2 in respect of any shares to be allotted in relation to the Employee Share Option Scheme provided that any shares to be allotted under this scheme shall not exceed 10% of the issued share capital of the Company from time to time (unless otherwise determined by the Board or an Investor Majority).

## **19 TRANSFER OF SHARES: PRE-EMPTION RIGHTS**

- 19.1 In this Article, 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.
- 19.2 Except where the provisions of Articles 21 or 22 apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights in this Article.
- 19.3 A shareholder ("**Seller**") wishing to transfer his shares ("**Sale Shares**") must first obtain the written consent of the Board to such transfer and if the Board (in its absolute discretion) gives such consent, the Seller must give notice in writing (a "**Transfer Notice**") to the Company giving details of the proposed transfer including:
- 19.3.1 the number of Sale Shares;

- 19.3.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
  - 19.3.3 the price (in cash) at which he wishes to sell the Sale Shares (which will be the lower of the price offered to the proposed buyer and the Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board ("**Transfer Price**")); and
  - 19.3.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders ("**Minimum Transfer Condition**").
- 19.4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 19.5 A Transfer Notice constitutes the Company as the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 19.6 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 19.7 Unless the Board determines otherwise, the Board shall offer the Sale Shares to all shareholders other than the Seller (the "**Continuing Shareholders**"), inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.
- 19.8 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 19.9 to Article 19.12 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 19.9 If.
- 19.9.1 at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements

shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

19.9.2 not all Sale Shares are allocated following allocations in accordance with Article 19.9.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in Article 19.9.1. The procedure set out in this Article 19.9.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

19.9.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the "**Initial Surplus Shares**") shall be dealt with in accordance with Article 19.10.

19.10 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the "**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy

19.11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing

Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

19.12 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the "**Second Surplus Shares**") shall be dealt with in accordance with Article 19.17.

19.13 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 19.9 to Article 19.12, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

19.14 If:

19.14.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and

19.14.2 allocations under Article 19.9 to Article 19.12 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an "**Allocation Notice**") to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an "**Applicant**"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him ("**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice)

19.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice

19.16 If the Seller fails to comply with Article 19.15:

19.16.1 the Chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:

(a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

(b) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and

(c) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and

19.16.2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an Indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

19.17 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to Article 19.13 then the directors are entitled to nominate the Company or another person as the preferred purchaser. If the directors do not wish to nominate a preferred purchaser, within 20 Business Days following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this Article 19 17 shall continue to be subject to any Minimum Transfer Condition.

19 18 The Seller's right to transfer Sale Shares under Article 19.17 does not apply if the Board reasonably considers that:

19.18.1 the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the Company or with a subsidiary of the Company; or



- 19.18.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- 19.18.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.
- 19.19 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article.
- 19.20 The Fair Value of any Sale Shares shall be determined as follows:
- 19.20.1 the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares;
- 19.20.2 the Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders in writing of their determination;
- 19.20.3 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.

19.20.4 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.

## **20 COMPULSORY TRANSFERS**

20.1 A shareholder shall be deemed to have served a Transfer Notice if any of the following events of default take place:

20.1.1 he becomes a Leaver; or

20.1.2 he suffers a change of control in the case of a corporate shareholder (not being the Investor),

and the Transfer Notice shall be deemed to have been served immediately before the events of default took place.

20.2 A deemed Transfer Notice under this Article has the same effect as a Transfer Notice under Article 19 and the provisions of Article 19 shall apply, except that:

20.2.1 subject to the vesting provisions at Article 20.3, the deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the shares held by him; and

20.2.2 the Transfer Price shall be, in relation to those shares which are unvested, as determined in accordance with the table at Article 20.3, the nominal value of the shares held by that shareholder.

20.3 For the purposes of this Article 20, and subject always to Article 20.7, the relevant shares shall vest as follows:

Date of Founder / director / employee / consultant leaving	Vested shares	Unvested shares
Prior to first anniversary of the Adoption Date	0%	100%
On first anniversary of the Adoption Date	25%	75%
From first anniversary of the Adoption Date until third anniversary of the Adoption Date	Balance of Unvested Shares shall vest in 24 equal monthly instalments	Balance of Unvested Shares shall vest in 24 equal monthly instalments
On or after third anniversary of the Adoption Date	100%	0%

20.4 Forthwith upon a Transfer Notice being deemed to be served under this Article the shares subject to the relevant deemed Transfer Notice shall cease to confer on the holder of them any rights:

20.4.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), or

20.4.2 to receive dividends or other distributions otherwise attaching to those shares

20.5 In these Articles, "**Leaver**" means (i) any Founder, director, employee or consultant of the Company or (ii) any person who otherwise provides services to the Company, who is a shareholder and who ceases to be a Founder, director or employee of the Company or otherwise provide services to the Company.

20.6 If, pursuant to this Article, a shareholder does not execute transfer(s) in accordance with this Article, the defaulting shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company or its nominee (on trust for such holder) of the consideration payable for the shares, to deliver such transfer(s) to the relevant transferee(s) (or as they may direct) as the holders thereof. After the transferee (or its nominee) has been registered as the holder, 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 transferred under this Article.

- 20.7 In the event of a Buyer (as defined in Article 22.1), and any person Acting in Concert (as defined in Article 22.6) with the Buyer, acquiring a Controlling Interest (as defined in Article 22.7) in the Company, any unvested Shares shall be deemed to have become vested.

## **21 DRAG ALONG**

- 21.1 Subject to Article 21.3 below, if the holders of not less than 51% of the voting shares in issue for the time being ("**Calling Shareholders**") wish to transfer all of their interest in the shares ("**Sellers' Shares**") to a bona fide purchaser on arm's length terms ("**Proposed Buyer**"), the Calling Shareholders may give written notice ("**Drag Along Notice**") to the other shareholder(s) ("**Called Shareholders**") that the Called Shareholders are required to sell and transfer all of their shares ("**Called Shares**") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article ("**Drag Along Option**"). Once issued, a Drag Along Notice shall be irrevocable.

- 21.2 The Drag Along Notice shall specify:

- 21.2.1 the person to whom the Called Shares are to be transferred;
- 21.2.2 the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the consideration per share offered by the Proposed Buyer for the Sellers' Shares; and the proposed date of the transfer which shall not be less than 30 Business Days from the date of the Drag Along Notice.

- 21.3 Upon receipt of a Drag Along Notice, the Called Shareholders may within 20 Business Days give written notice to the Calling Shareholders ("**Purchase Notice**") that they wish to acquire the Selling Shareholders' share ("**Sale Shares**") at a price that is equal to or higher than the consideration per share specified in the Drag Along Notice ("**Purchase Consideration**").

- 21.4 In the event that the Called Shareholders serve a Purchase Notice on the Calling Shareholders, the following procedure shall apply:

- 21.4.1 Within 10 Business Days of the Called Shareholders serving a Purchase Notice on the Calling Shareholders, the Calling Shareholders shall deliver stock transfer forms for the Sale Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company.

- 21.4.2 Within 5 Business Days of the expiry of the period at Article 21.4.1 above, the Called Shareholders will put the Company or its nominee in funds for payment of the Purchase Consideration.
- 21.4.3 Within 7 days of its receipt of the Purchase Consideration, the Company or its nominee shall pay the Calling Shareholders, on behalf of the Called Shareholders, the amounts they are due for their shares pursuant to Article 21.3. The Company's or its nominee's receipt of the Purchase Consideration shall be a good discharge to the Selling Shareholder. The Company or its nominee shall hold the amounts due to the Calling Shareholders pursuant to Article 21.3 in trust for the Calling Shareholders without any obligation to pay interest.
- 21.5 If any Calling Shareholder does not, on completion of the sale of the Sale Shares, execute transfer(s) in respect of all of the Sale Shares held by it, the defaulting Calling Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Called Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company or its nominee (on trust for such holder) of the Purchase Consideration payable for the Sale Shares, to deliver such transfer(s) to the Called Shareholder (or as they may direct) as the holder thereof. After the Called Shareholder (or its nominee) has been registered as the holder, 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 transferred under this Article 21.
- 21.6 If, and only if, a Purchase Notice has not been given to the Calling Shareholders within the period set out in Article 21.3 above, the drag along procedure set out in Articles 21.7 to 21.12 below shall apply.
- 21.7 For the avoidance of doubt, the consideration payable for the Called Shares pursuant to this Article 21 shall be in the same form or forms (whether cash or otherwise) and payable at the same time as the consideration offered by the Proposed Buyer for the Sellers' Shares ("**Consideration**").
- 21.8 A Drag Along Notice shall lapse if, for any reason, the Calling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 40 Business Days of the expiry of the period in 12.3 above. The Calling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 21.9 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 21.
- 21.10 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Sellers' Shares ("**Completion Date**") unless:
- 21.10.1 all of the Called Shareholders and the Calling Shareholders agree otherwise; or
- 21.10.2 that date is less than 10 Business Days after the expiry of the period in Article 21.3 above, in which case the Completion Date shall be the 30<sup>th</sup> Business Day after delivery of the Drag Along Notice.
- 21.11 Within 10 Business Days of the expiry of the period specified in Article 21.3 above, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. Within 7 days of its receipt of the Consideration, the Company or its nominee shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to Article 21.2.2 to the extent that the Proposed Buyer has put the Company or its nominee in the requisite funds. The Company's or its nominee's receipt for the price shall be a good discharge to the Proposed Buyer. The Company or its nominee shall hold the amounts due to the Called Shareholders pursuant to Article 21.2.2 in trust for the Called Shareholders without any obligation to pay interest.
- 21.12 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Calling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company or its nominee (on trust for such holder) of the Consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, 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 transferred under this Article 21.

## **22 TAG ALONG RIGHTS ON A CHANGE OF CONTROL**

- 22.1 Except in the case of transfers pursuant to Article 21, the provisions of this Article 22 shall apply if, in one or a series of related transactions, one or more sellers of shares in the Company ("**Sellers**") propose to transfer any of their shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 22.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("**Offer**") to the other shareholders to purchase all of the shares held by them for a consideration that is at least equal to the highest consideration (including any non-cash consideration, which will, if necessary, be valued by the accountants of the Company whose decision shall be final and binding) per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the three months preceding the date of the Proposed Transfer ("**Specified Consideration**").
- 22.3 The Offer shall be given by written notice ("**Offer Notice**"), at least 28 days ("**Offer Period**") before the proposed sale date ("**Sale Date**") To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 22.3.1 the Identity of the Buyer;
  - 22.3.2 the consideration and other terms and conditions of payment;
  - 22.3.3 the Sale Date; and
  - 22.3.4 the number of shares proposed to be purchased by the Buyer ("**Offer Shares**").
- 22.4 If the Buyer fails to make the Offer to all of the holders of shares in the Company in accordance with Article 22.2 and Article 22.3, 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
- 22.5 If the Offer is accepted by any shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

22.6 **"Acting in Concert"** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).

22.7 **"Controlling Interest"** means 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.

#### **Decision making by shareholders**

### **23 VOTING: GENERAL**

A member shall not be entitled to vote at any general meeting or adjournment thereof (either in person or by proxy or by a corporate representative) or vote on a written resolution in respect of shares held by that member if any monies then due and payable by that member in respect of any shares in the Company remain unpaid

### **24 POLL VOTES**

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

24.2 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.

### **25 PROXIES**

25.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company together with any authentication of it demanded by the directors in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

25.2 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, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article.



- 25.3 The Company is under no obligation to ensure whether a proxy or a corporate representative is voting in accordance with the instructions given by the member by whom the proxy is appointed and no vote cast by a proxy shall be invalidated on the basis that the proxy did not vote in accordance with such instructions.

#### **Administrative arrangements**

### **26 MEANS OF COMMUNICATION TO BE USED**

- 26.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- 26.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 26.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 26.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 26.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a Business Day.

- 26.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## **27 INDEMNITY**

27.1 Subject to Article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled, each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

27.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

27.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 27 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

27.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

27.3 In this Article.

27.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

27.3.2 a "**relevant officer**" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).