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Brabners LLP

55 King Street
Manchester M2 4LQ

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

FOOTBALL VENTURES (WHITES) LIMITED

(COMPANY)

Company Number: 11761052

SATURDAY



A09 *A8D1P1BL* 31/08/2019 #79
COMPANIES HOUSE

Circulation date: 27 August 2019

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**Act**), the directors of the Company propose that resolution 1, 3 and 4 be passed as ordinary resolutions and resolutions 2 and 5 be passed as a special resolutions of the Company (**Resolutions**).

ORDINARY RESOLUTIONS

1. **THAT**, in accordance with section 239 of the Act, the allotment of ordinary shares (as more particularly described in the Statement of Capital filed at the registrar of companies on 12 March 2019) be and is hereby ratified and the rights attaching to such shares shall rank pari passu with the ordinary shares.

SPECIAL RESOLUTION

2. **THAT**, the draft articles of association attached to this written resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

ORDINARY RESOLUTIONS

3. **THAT**, subject to the passing of resolution 1 and 2, the 6 ordinary shares of £1 in the capital of the Company are hereby re-designated as 6 A ordinary shares of £1 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2.
4. **THAT**, in accordance with section 551 of the Act, the directors be unconditionally authorised to allot relevant securities up to an aggregate nominal amount of £2,750,194 (being 2,749,994 A ordinary shares of £1 each and 20,000 B ordinary shares of £0.01 each). Unless renewed, varied or revoked by the Company, this authority shall expire on 31 December 2021 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the Act.

SPECIAL RESOLUTION

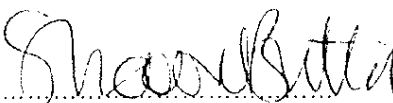
5. **THAT**, subject to the passing of resolution 4 and in accordance with section 570 of the Act, the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 4, as if section 561(1) of the Act did not apply to such an allotment.

AGREEMENT

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

The undersigned being the members of the Company entitled to vote on the Resolutions, hereby irrevocably agree to the Resolutions:

SIGNED by Sharon Brittan

.....


Date:

SIGNED by Michael Stuart James

.....
27 August 2019

Date:

SIGNED by Jeffrey Paul Thomas

.....

Date:

NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By hand:** delivering the signed copy to 55 King Street, Manchester M2 4LQ.
- **Post:** returning the signed copy by post to 55 King Street, Manchester M2 4LQ.

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

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless, by the end of the period of 28 days beginning with 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 period.

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Date:

SIGNED by Michael Stuart James



27 August 2019

Date:

SIGNED by Jeffrey Paul Thomas

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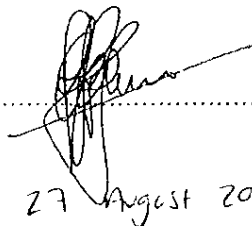
Date:

SIGNED by Michael Stuart James

Date:

SIGNED by Jeffrey Paul Thomas

Date:



27 August 2014

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DATED

27 August

2019

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY
SHARES

ARTICLES OF ASSOCIATION

Brabners

Solicitors and Commissioners for Oaths

We hereby certify that this is a
true and complete copy of the original

Brabners LLP
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Manchester M2 4LQ

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M2 4LQ

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Company number 11761052
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
FOOTBALL VENTURES (WHITES) LIMITED
(Adopted by special resolution passed on 27/08/2019)

INTRODUCTION

1. Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

Act: means the Companies Act 2006.

acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

Adoption Date: the date of adoption of these Articles.

appointor: has the meaning given in article 8.1.

Articles: means the company's articles of association for the time being in force.

A Share: means an A ordinary share of £1 in the capital of the Company designated as an A Share.

B Share: means a B ordinary share of £0.01 in the capital of the Company designated as a B Share.

Business Day: means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

Company's Lien: has the meaning given to it in article 29.

Conflict: has the meaning given in article 4.1.

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

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

Directors: the directors of the Company from time to time.

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

Fair Value: has the meaning given in article 18.2.

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

Founder: any of Sharon Brittan, Michael James or Jeffrey Thomas.

Founder Director: any director appointed to the Company by a Founder.

Group Company: means the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company:** shall be construed accordingly.

Independent Expert: means the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 10 Business Day period referred to in article 18.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

Lien Enforcement Notice: means a notice in writing which complies with the requirements of article 30.

Model Articles: means 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.

Member of the Same Group: means as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

Original Shareholder: has the meaning given in article 16.1.

Permitted Transfer: means a transfer of Shares made in accordance with article 16.

Permitted Transferee: means in relation to:

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;
- (b) a Shareholder which is a company, a Member of the Same Group as that company; and
- (c) in the case of a subscriber of unpaid shares on the Adoption Date, any fund nominated by them to pay the paid up amount

Privileged Relation: means in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

Relevant Securities: means any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than any

Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Special Consent.

Sale: means the sale or other disposal (whether by one transaction or a series of related transactions) of the entire issued share capital of the Company on completion.

Sale Proceeds: means the aggregate consideration paid or payable in respect of a Sale, including:

(a) any deferred consideration of any nature (including any consideration calculated by reference to further profits or any other performance measure); and

(b) the cash value of any non-cash consideration or other benefit received or receivable which may be reasonably regarded as forming part of the consideration for the Sale.

Sale Shares: has the meaning given in article 17.2.1.

Seller: has the meaning given in article 17.2.

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

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

Special Consent: the written approval of those shareholders holding shares in the Company that together confer not less than 75% of the total voting rights exercisable in general meetings of the Company.

Transfer Notice: has the meaning given in article 17.2.

Transfer Price: has the meaning given in article 18.

- 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 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.
- 1.9 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.

- 1.10 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 21, 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - 1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.11.2 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".
- 1.12 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".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.14 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".
- 1.15 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. Proceedings of Directors

- 2.1 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 2.2 (subject to article 2.3 and article 2.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 2.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 2.3 A decision taken in accordance with article 2.2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 2.4 A decision may not be taken in accordance with article 2.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 2.6 and article 2.7.
- 2.5 Meetings of the Directors shall take place at least six times in each year, with a period of not more than two months between any two meetings. Any Director may call a meeting of the Directors. At least 10 Business Days' advance notice of each such meeting shall be given to each Director (or such lesser notice as all the directors may agree).
- 2.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.
- 2.7 For the purposes of any meeting (or part of a meeting) held pursuant to article 4 to authorise a Conflict (as defined in article 4.1), if there is only one Eligible Director in office other than the

conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

- 2.8 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to:

2.8.1 appoint further Directors; or

2.8.2 call a general meeting so as to enable the Shareholders to appoint further Directors.

- 2.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman of the meeting shall not have a second or casting vote.

- 2.10 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.

3. **Transactions or Other Arrangements With the Company**

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 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 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**).

- 4.2 Any authorisation under this article 4 will be effective only if:

- 4.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 4.2.2 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
 - 4.2.3 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.
- 4.3 Any authorisation of a Conflict under this article 4 may (whether at the time of giving the authorisation or subsequently):
- 4.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 4.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 4.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 4.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 4.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - 4.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 4.4 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.
- 4.5 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.
- 4.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors 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. **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.

6. **Number of Directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

7. **Appointment of Directors**

7.1 For so long as a Founder holds 5% of the shares in issue (disregarding any B Shares) he or she shall have the right to:

7.1.1 appoint 1 person as that Founder may from time to time direct as a Founder Director (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal whether by the Founder or otherwise, to appoint another person to act as Founder Director in his place; and

7.1.2 if any Founder Director shall die or be removed from or vacate office for any cause, the Founder who appointed him may appoint in his place another person to be a Founder Director.

7.2 Any appointment or removal of a director pursuant to this article shall be in writing and signed on or behalf of the relevant Founder and served on each of the other shareholders and the Company at its registered office, and on the director, in the case of his removal. Any such appointment shall take effect when received by the Company or at such later time as shall be specified in such notice

7.3 Each Founder shall whilst they hold at least 5% of the shares in issue in the Company from time to time (disregarding any B Shares or other shares which do not have a right to vote) have the right to nominate one person to be an observer, who shall be entitled to receive notice of all meetings of directors (and committees of the directors) of each Group Company and copies of all board papers as if he were a director of each such Group Company and to attend, propose resolutions and speak at, but not vote at, any meeting of the directors (and committees of the directors) of each Group Company.

7.4 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.

7.5 For as long as Keith Morris holds 5% of the shares in issue (disregarding any B Shares) he shall have the right to (1) be appointed as a director or (2) to act as an observer, with a right to receive notice of all meetings of directors (and committees of the directors) of each Group Company and copies of all board papers as if he were a director of each such Group Company and to attend, propose resolutions and speak at, but not vote at, any meeting of the directors (and committees of the directors) of each Group Company.

8. **Appointment and Removal of Alternate Directors**

8.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

8.1.1 exercise that director's powers; and

8.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

8.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

8.3 The notice must:

8.3.1 identify the proposed alternate; and

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

9. **Rights and Responsibilities of Alternate Directors**

9.1 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.

9.2 Except as the Articles specify otherwise, alternate directors:

9.2.1 are deemed for all purposes to be directors;

9.2.2 are liable for their own acts and omissions;

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

9.2.4 are not deemed to be agents of or for their appointors

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.

9.3 A person who is an alternate director but not a director:

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

9.3.2 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

9.3.3 shall not be counted as more than one director for the purposes of article 9.3.1 and article 9.3.2.

9.4 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.

9.5 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.

10. **Termination of Alternate Directorship**

An alternate director's appointment as an alternate terminates:

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

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

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

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

11. **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.

SHARES

12. **Share Capital**

12.1 Except as otherwise provided in these Articles, the A Shares and B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

12.2 On the transfer of any share as permitted by these Articles, a share shall remain of the same class as before the transfer.

12.3 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.

13. **B Shares**

13.1 The B Shares shall be entitled to the a return on capital and income which shall be calculated as follows:

B Return (X%) = (Number of B Shares in issue/40,000) x (Number of A Shares in issue/3,000,000)

Provided the issued share capital of the Company is 3,000,000 A Shares and up to 20,000 B Shares (**Initial Capital**), each 1,000 B Shares shall be entitled to 1% of any income or capital.

If the issued share capital of the Company has increased from the Initial Capital the B Return shall be reduced by a proportionate amount to the new share capital. So by way of example if a further 1,000,000 A Shares were issued 1,000 B Shares would equal 0.75%.

13.2 In respect of any Financial Year, the Available Profits of the Company shall be used to be pay dividends as set out in these articles as determined by the Directors.

13.2.1 The holders of the B Shares shall be entitled to the B Return of any dividend or distribution paid for each 1,000 B Shares it holds;

13.2.2 the remainder of any dividend or distribution shall paid to the holders of the A Shares on a *pro rata* basis.

13.3 On a return of capital of the Company (other than a redemption of Shares or the purchase by the Company of its own Shares), the surplus assets and profits of the Company after payment of all liabilities (**Assets**) will be applied (to the extent that the Company is lawfully able to do so) to the holders of the B Shares, so that the B Shares shall receive the B Return of capital in respect of each 1,000 B Shares it holds. The remainder of any return of capital shall be paid to the holders of the A Shares on a *pro rata* basis.

- 13.4 On a Sale, the Sale Proceeds shall be distributed so that the holders of the B Shares shall be entitled to the B Return of the Sale Proceeds for each 1,000 B Shares it holds. The remainder of the Sale Proceeds shall be distributed to the holders of the A Shares on a pro rata basis.
14. **Pre-emption Rights on the Issue of Further Shares**
- 14.1 Save to the extent authorised by these Articles, the Directors shall not, save with Special Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.
- 14.2 Subject to the remaining provisions of this article 13, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
- 14.2.1 offer or allot;
- 14.2.2 grant rights to subscribe for or to convert any security into; and
- 14.2.3 otherwise deal in, or dispose of,
- any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 14.3 The authority referred to in article 14.2:
- 14.3.1 shall be limited to a maximum nominal amount of £200,000 of B Shares and £3,000,000 of A Shares;
- 14.3.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- 14.3.3 may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).
- 14.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 14.5 Unless otherwise agreed by special resolution if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 14.6 An offer made under article 14.5 shall:
- 14.6.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- 14.6.2 remain open for a period of at least 10 Business Days from the date of service of the offer; and

- 14.6.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 14.5 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.
- 14.7 If, on the expiry of an offer made in accordance with article 14.5, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 14.8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 14.5 shall be used to satisfy any requests for Excess Securities made pursuant to article 14.6.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (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 those allotments, any Excess Securities shall, subject to article 14.11, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 14.9 If, after completion of the allotments referred to in article 14.7 and article 14.8, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to the holders (on the date of this offer) of the Shares on a pari passu basis and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person. Such offer shall be made in accordance with article 14.6 and the provisions of article 14.7 and article 14.8 shall, with necessary modifications, apply to such offer.
- 14.10 If, after completion of the allotments referred to in articles article 14.7 , article 14.8 and article 14.9, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to article 14.11 be offered to any other person(s) as the Directors may, (with Special Consent) determine, at the same price and on the same terms as the offer to the Shareholders.
- 14.11 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
15. **Transfers of Shares: General**
- 15.1 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.
- 15.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 15.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 15.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 15.4 Any transfer of a Share by way of sale which is required to be made under article 19, article 20, article 21 or article 21 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

- 15.5 The Directors shall, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Shareholders agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, 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). If any condition is imposed in accordance with this article 15.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 15.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- 15.6.1 any holder (or the legal representatives of a deceased holder); or
 - 15.6.2 any person named as a transferee in a transfer lodged for registration; or
 - 15.6.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 15.7 If any such information or evidence referred to in article 15.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and then:
- 15.7.1 the relevant Shares shall cease to confer on the holder of them any rights:
 - 15.7.1.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 15.7.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or
 - 15.7.1.3 to participate in any future issue of Shares issued in respect of those Shares; and
 - 15.7.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).
- The Directors may reinstate the rights referred to in article 15.7.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 15.7.2 on completion of such transfer.
- 15.8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:
- 15.8.1 it does not contain a Minimum Transfer Condition; and
 - 15.8.2 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

- 15.9 Any Transfer Notice (but not an Offer Notice (as defined in article 20) or a Drag Along Notice (as defined in article 21)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.
16. **Permitted Transfers of Shares**
- 16.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.
- 16.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 16.2.1 the Original Shareholder;
 - 16.2.2 any Privileged Relation(s) of the Original Shareholder;
 - 16.2.3 subject to article 16.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
 - 16.2.4 subject to article 16.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:
- 16.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
 - 16.3.2 with the identity of the proposed trustee(s);
 - 16.3.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - 16.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 16.4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 5 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:
- 16.4.1 the Original Shareholder; or
 - 16.4.2 a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 16.4, 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 16.4.
- 16.5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 5 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

16.5.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

16.5.2 give a Transfer Notice to the Company in accordance with article 17,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 16.5. This article 16.5 shall not apply to a transferee of a Permitted Transferee if that transferee is also a Permitted Transferee of the Original Shareholder, to the extent that such transferee is legally or beneficially entitled to those Shares.

17. Pre-emption Rights on the Transfer of Shares

17.1 Except where the provisions of article 16, article 20 or article 21 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 17.

17.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

17.2.1 subject to article 15.8.2, the number of Shares he wishes to transfer (**Sale Shares**);

17.2.2 the name of the proposed transferee, if any;

17.2.3 subject to article 19.5, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and

17.2.4 subject to article 15.8.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

17.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.

17.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

17.5 As soon as practicable following the later of:

17.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and

17.5.2 the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with article 17.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 17 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

17.6 The Company shall offer the Sale Shares to all other 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 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

17.7 If:

17.7.1 at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to

each Continuing Shareholder who has applied for Sale Shares in the proportion which the Continuing Shareholder's 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 shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

- 17.7.2 not all Sale Shares are allocated following allocations in accordance with article 17.7.1, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 17.7.1. The procedure set out in this article 17.7.2 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
 - 17.7.3 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 Directors 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 17.8.
- 17.8 At the end of the First Offer Period, the Directors 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 20 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 17.9 If:
- 17.9.1 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 Directors shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Continuing Shareholders bears to the total number of Shares of the class held by all Continuing Shareholders (other than the Seller). 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 shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
 - 17.9.2 not all Initial Surplus Shares are allocated following allocations in accordance with article 17.9.1, but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in article 17.9.1. The procedure set out in this article 17.9.2 shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
 - 17.9.3 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to article 17.10, be offered to any other person in accordance with article 17.14.
- 17.10 Where the Transfer Notice contains a Minimum Transfer Condition:
- 17.10.1 any allocation made under article 17.7 to article 17.9 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and

- 17.10.2 if the total number of Sale Shares applied for under article 17.7 to article 17.9 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 17.11 Where either:
- 17.11.1 the Transfer Notice does not contain a Minimum Transfer Condition; or
- 17.11.2 allocations have been made in respect of all the Sale Shares,
- the Directors shall, when no further offers or allocations are required to be made under article 17.7 to article 17.9 (inclusive), give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).
- 17.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 17.13 If the Seller fails to comply with article 17.12:
- 17.13.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:
- 17.13.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- 17.13.1.2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- 17.13.1.3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- 17.13.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.
- 17.14 Where a Transfer Notice lapses pursuant to article 17.10.2 or an Allocation Notice does not relate to all the Sale Shares, then, subject to article 17.15, the Seller may, at any time during the 30 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (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 17.14 shall continue to be subject to any Minimum Transfer Condition.
- 17.15 The Seller's right to transfer Shares under article 17.14 does not apply if the Directors reasonably consider that:

- 17.15.1 the transferee is a person (or a nominee for a person) who is a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
- 17.15.2 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
- 17.15.3 the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in article 17.15.2.

18. Valuation

- 18.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected (as defined in section 252 of the Act) not voting), and the Seller or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share. Where the Seller is deemed to have given a Transfer Notices as a result of article 19.4 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 and the aggregate Fair Value of such Sale Shares.
- 18.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
 - 18.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 18.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 18.2.3 that the Sale Shares are capable of being transferred without restriction;
 - 18.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 18.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 18.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 18.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 18.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 18.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 18.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 18.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:

- 18.8.1 the Seller withdraws the relevant Transfer Notice in accordance with article 17.3; or
- 18.8.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

19. **Compulsory Transfers**

- 19.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine.
- 19.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.
- 19.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.
- 19.4 If a Shareholder commits a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the other Shareholders or the Company requiring such remedy shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 19.5 Forthwith upon a Transfer Notice being deemed to be served under article 19 the Shares subject to the relevant Deemed Transfer Notice shall cease to confer on the holder of them any rights:
 - 19.5.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 19.5.2 to receive dividends or other distributions otherwise attaching to those Shares; or
 - 19.5.3 to participate in any future issue of Shares.

The Directors may reinstate the rights referred to in article 19.5 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 19 on completion of such transfer.

20. **Tag Along**

- 20.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 16 or article 19, but after the operation of the pre-emption procedure set out in article 17), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 20 shall apply.

- 20.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder (each an **Offeree**) on the date of the Offer, to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares in connection with the Proposed Transfer or any transaction in the 6 calendar months preceding the date of completion of the Proposed Transfer.
- 20.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 10 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). The Offer Notice shall specify:
- 20.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
 - 20.3.2 the Offer Price and any other terms and conditions of the Offer;
 - 20.3.3 the Sale Date; and
 - 20.3.4 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 20.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- 20.4.1 the making of an Offer in accordance with this article 20; and
 - 20.4.2 the completion of the transfer of any Shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,
and the Directors shall refuse to register any Proposed Transfer made in breach of this article 20.4.
- 20.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 20 shall not be, subject to the pre-emption provisions of article 17.
21. **Drag Along**
- 21.1 If the holders of 75% by nominal value of the A Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 21.
- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 21.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 21;
 - 21.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - 21.2.3 the consideration payable for the Called Shares which shall, for each Called Share be an amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares;

- 21.2.4 the proposed date of completion of transfer of the Called Shares
- 21.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (**Sale Agreement**) which may include warranties and/or indemnities to the Proposed Buyer and/or adjustments and/or escrow or other holdback arrangements or similar; provided, however, that the limitation of each shareholder's liability in respect of such warranties and indemnities may not exceed the value of the consideration such shareholder is entitled to receive for its Seller's Shares from the Proposed Buyer).
- 21.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 21.
- 21.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- 21.5.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
- 21.5.2 that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 21.6 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall sign and deliver the Sale Agreement and shall deliver executed stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 21.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 21.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 21.4 in trust for the Called Shareholders without any obligation to pay interest.
- 21.7 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to article 21.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 21 in respect of their Shares.
- 21.8 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 21.
- 21.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into,

Shares, (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 21 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this Article 21.9 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.

- 21.10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 17.
- 21.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

22. Purchase of Own Shares

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

22.1.1 £15,000; and

22.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

DECISION MAKING BY SHAREHOLDERS

23. Voting

- 23.1 Subject to any other provisions in these Articles concerning voting rights, each A Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company or on a written resolution of the Company.
- 23.2 The B Shares shall not carry any right to receive notice of, attend, speak or vote at any general meeting of the Company or on any written resolutions.

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 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.

ADMINISTRATIVE ARRANGEMENTS

26. Means of Communication to be Used

26.1 Subject to article 26.1.7, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

26.1.1 if delivered by hand, on signature of a delivery receipt; or

26.1.2 if sent by pre-paid first-class post or another next day working day delivery service providing proof of postage to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

26.1.3 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

26.1.4 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt; and

26.1.5 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

26.1.6 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; and

26.1.7 if deemed receipt under the previous paragraphs of this article 26.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this clause 25.5, all references to time are to local time in the place of deemed receipt.

26.2 To prove service, it is sufficient to prove that:

26.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

26.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

26.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or

26.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

27. Indemnity

27.1 Subject to article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

27.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

27.1.1.1 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 27.1.1 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).

28. Insurance

- 28.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 28.2 In this article:
 - 28.2.1 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);
 - 28.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company.

29. Company's Lien over Shares

- 29.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 29.2 The Company's Lien over a share:
 - 29.2.1 takes priority over any third party's interest in that Share; and

- 29.2.2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

30. Enforcement of the Company's Lien

30.1 Subject to the provisions of this article 30, if:

- 30.1.1 a Lien Enforcement Notice has been given in respect of a Share; and

- 30.1.2 the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

30.2 A Lien Enforcement Notice:

- 30.2.1 may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;

- 30.2.2 must specify the Share concerned;

- 30.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

- 30.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

- 30.2.5 must state the Company's intention to sell the Share if the notice is not complied with.

30.3 Where Shares are sold under this article 30:

- 30.3.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and

- 30.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

30.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

- 30.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and

- 30.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

- 30.4.3 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- 30.4.4 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.