

TUESDAY



JNI \*J3H183MA\* 30/09/2014 #179  
COMPANIES HOUSE

Company number: NI619860

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

of

**SHOTCLIP LIMITED (the "Company")**

**Circulation date:**

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the directors of the Company propose that:

- resolution 1 below is passed as a special resolution (the "**Special Resolution**"); and
  - resolution 2 below is passed as an ordinary resolution (the "**Ordinary Resolution**")
- together, the "**Resolutions**")

**SPECIAL RESOLUTION**

1. THAT the regulations contained in the printed document attached and signed for the purposes of identification by the chairman of the meeting be and is hereby adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company.

**ORDINARY RESOLUTION**

2. THAT the directors be generally and unconditionally authorised to allot 133,333 Ordinary Shares to Invest Growth Fund LP and 100,000 Ordinary Shares to Reyker Nominees Limited.

**AGREEMENT**

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

The undersigned, a person entitled to vote on the Resolutions on 2<sup>nd</sup> April 2014, hereby irrevocably agrees to the Resolutions:

Signed by:

Print name:

On behalf of: (leave blank if you are signing on your own behalf)

Date:

*Conor McNally*  
.....  
*CONOR McNally*  
.....  
*SHOTCLIP LTD*  
.....  
*2<sup>nd</sup> April 2014.*  
.....



## 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 one of the following methods:

**By hand:** delivering the signed copy to Conor McNally at The Business Hub, 17 Canal Street, Newry, County Down, BT35 6JB.

**Post:** returning the signed copy by post to Conor McNally at The Business Hub, 17 Canal Street, Newry, County Down, BT35 6JB.

**Fax:** faxing the signed copy to +44 (0)28 44 61 91 54 marked "For the attention of Laura Baker".

**E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [laura@fordelaw.com](mailto:laura@fordelaw.com) . Alternatively, you may confirm in the text of an e-mail that you agree to all of the Resolutions and send it to [laura@fordelaw.com](mailto:laura@fordelaw.com) . Please enter "Written resolutions dated 2<sup>nd</sup> April 2014" 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, by 23<sup>rd</sup> April, 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 on or before 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 or sending an e-mail 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 or sending the e-mail (as the case may be). Please also include the name of the person on whose behalf you are signing where indicated in the signature box.
6. If you wish to signify your agreement by setting it out in the text of an e-mail, the e-mail should be signed off with your full name and, where relevant, indicate the name of the person on whose behalf you are signifying agreement.



**Company Number:NI619860**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**-of-**

**SHOTCLIP LIMITED**

**(Adopted by a Written Resolution dated 2<sup>nd</sup> APRIL 2014)**

**1. PRELIMINARY**

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "**Model Articles**") shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the articles of association of the Company (the "**Articles**").
- 1.2 Model Articles 9(2), 14, 19(5), 21, 24, 26(5), 28(3) and 44(4) do not apply to the Company.
- 1.3 The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles.
- 1.4 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.
- 1.5 In these Articles:

<b>"Act"</b>	means the Companies Act 2006;
<b>"Adoption Date"</b>	means 2 <sup>nd</sup> APRIL 2014 being the date on which these Articles were adopted by the Company;
<b>"Articles"</b>	means these articles of association of the Company as amended from time to time;
<b>"Asset Sale"</b>	means a sale of the whole or what the Board reasonably considers to be a material part of the trading assets or trading subsidiaries of the Company and any of its subsidiaries whether in one or a series of connected transactions (other than a solvent reorganisation of the Company or any Associated Company to which the Invest Growth Fund, NDRC and Jenson have given prior written consent);
<b>"Associated Company"</b>	means any subsidiary or holding Company of the Company and any subsidiary of each such holding Company of the Company from time to time (" <b>holding Company</b> " and " <b>subsidiary</b> " having the meanings ascribed to them in Section 1159 of the Act);
<b>"Auditors"</b>	means the auditors or accountants of the Company from time to time;



<b>"Available Profits"</b>	Means profits available for distribution within the meaning of part 23 of the Act;
<b>"Bad Leaver"</b>	<p>means a Founder upon becoming a Leaver at any time prior to the third anniversary of the Adoption Date for any of the following reasons:</p> <ul style="list-style-type: none"> <li>(a) gross negligence;</li> <li>(b) gross misconduct;</li> <li>(c) material breach of service contract or contract of employment or any other contract with the Company (including material breach of obligations to the Company concerning confidentiality or intellectual property or non-compliance with non-compete obligations applicable during the term of any service contract) where such material breach has been notified to the Founder and, where a remedy is possible, where the Founder has been given 20 Business Days to remedy the material breach and has failed to do so;</li> <li>(d) repudiatory breach of service contract or contract of employment or any other contract with the Company where such repudiatory breach has been notified to the Founder and, where a remedy is possible, where the Founder has been given 20 Business Days to remedy the repudiatory breach and has failed to do so;</li> <li>(e) fraud or acts of dishonesty;</li> <li>(f) being convicted of a criminal offence (other than a road traffic offence which is not punishable by a custodial sentence); or</li> <li>(g) refusal or failure to substantially perform his duties and responsibilities to the Company lawfully prescribed to him by the Board after reasonable notice of such failure and a reasonable opportunity to cure such failure;</li> </ul>
<b>"Board"</b>	means the Board of Directors of the Company from time to time;
<b>"Business Plan"</b>	shall have the meaning set out in the Relevant Agreement;
<b>"Clear Days"</b>	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>"Company"</b>	Shotclip Limited a company incorporated and registered in Northern Ireland under number NI619860 and whose registered office is at is at The Business Hub, 17 Canal Street,





Newry, County Down, BT35 6JB;

<b>"Controlling Interest"</b>	means an interest (within the meaning of Schedule 1 and Section 254 of the Companies Act 2006) in Shares conferring in aggregate more than fifty (50%) per cent of the total voting rights conferred by all the Shares in the equity share capital of the Company for the time being in issue and conferring the right to vote at all general meetings;
<b>"Convertible Securities"</b>	means any convertible loan notes or any other form of securities that may be converted into Shares;
<b>"Director"</b>	means each director of the Company from time to time;
<b>"Disposal"</b>	the disposal by the Company of all, or a substantial part of, its business and assets;
<b>"EIS"</b>	the Enterprise Investment Scheme as set out in part 5 of the Income Tax Act 2007 (as amended);
<b>"Entire Issued Share Capital"</b>	means the entire issued share capital of the Company from time to time;
<b>"Expert"</b>	means the Auditors, or if they cannot act, such other firm of chartered accountants as is agreed by a majority decision of the Board (with Investor Consent) or failing such agreement within 10 business days, appointed by the Chairman for the time being of the Ulster Society of Chartered Accountants on application by any holder of Shares;
<b>"Founder"</b>	means Conor McNally;
<b>"Fair Market Value"</b>	is as defined in Article 6.6;
<b>"Financial Year"</b>	means an accounting reference period (as defined in section 391 of the Act) of the Company;
<b>"Fund"</b>	the Invest Growth Fund or the Jenson Seed EIS Fund and <b>"Funds"</b> shall be construed accordingly;
<b>"Fund Manager"</b>	Means: (a) E-Synergy Limited (or any party appointed as the successor to E-Synergy Limited as the manager of the Invest Growth Fund);  (b) the SEIS Fund Manager (or any party appointed as the successor to SEIS Fund Manager as the manager of the Jenson Seed EIS Fund); or  (c) Jenson;
<b>"Good Leaver"</b>	means a Founder who becomes a Leaver at any time prior to the third anniversary of the Adoption Date by virtue of his/her

death; permanent incapacity due to illness or disablement (whether physical or mental); by virtue of any unlawful termination by the Company of his/her contract of employment, service or consultancy agreement (and for these purposes unlawful termination being (i) unfair dismissal (on substantive as opposed to procedural grounds), (ii) redundancy, or (iii) termination of employment in circumstances that are determined by a tribunal or court of competent jurisdiction to constitute constructive dismissal); or any other reason determined by the Board with Investor Consent, that the Founder shall be treated as a Good Leaver;

<b>"the holder"</b>	in relation to Shares means the Shareholder whose name is entered in the register of Shareholders as the holder of the Shares;
<b>Invest Growth Fund</b>	Invest Growth Fund LP, a limited partnership incorporated in Northern Ireland with registered number NI LP60 and having its registered office at Marlborough House, 30 Victoria Street, Belfast, BT1 3GG
<b>"Investors"</b>	Invest Growth Fund and the Nominee Company (the Nominee Company always acting on the instructions of SEIS Fund Manager);
<b>"Investor Consent"</b>	means the consent of the holders of at least 50% of the shares held by the Investors expressed either in writing or by the Investor Directors at a duly convened and quorate meeting of the Board as recorded in the minutes of the relevant meeting and for the avoidance of doubt, the Nominee Company's consent in respect of its Shares may be provided by Jenson;
<b>"Investor Director"</b>	means a Director appointed by the Investors pursuant to Clause 7.1 of the Relevant Agreement and includes his duly appointed alternate;
<b>"Jenson"</b>	Jenson Funding Partners LLP, a limited liability partnership registered in England and Wales with registered number OC OC375306 whose registered office is at Communications House, 26 York Street, London W1U 6PZ;
<b>"Jenson Seed EIS Fund"</b>	means the fund constituted by a series of discretionary investment management agreements pursuant to which investors in the fund severally appoint the Nominee Company to act on their behalf as their nominee for the purposes of making investments which are selected for them by the SEIS Fund Manager(acting on their behalf in common as their appointed discretionary investment manager). Jenson is acting as the SEIS Fund Manager's strategic advisor in connection with the SEIS Fund Manager's provision of discretionary investment management services;
<b>"Leaver"</b>	means a Founder who ceases and does not continue for any reason to be a director of and/or an employee and/or a consultant to the Company or any Associated Company (as the case may be) save for in the event of a Sale, liquidation,



dissolution or winding-up of the Company;

**"Listing"**

means the admission to the official list maintained by the Financial Conduct Authority or the daily official list of the London Stock Exchange Limited or by any other recognised investment exchange (as defined by the Financial Services and Markets Act 2000) of any Share becoming effective or permission to deal therein on any such recognised investment exchange or on the Alternative Investment Market or OFEX becoming effective;

**"Member of the Same Group"**

means, in relation to any body corporate, any other body corporate controlled by, controlling or under common control with that body;

**"Member of the Same Fund Group"**

means if the Shareholder is a fund, partnership, company, syndicate, nominee of investors in a SEIS or EIS fund or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or a nominee of that person:

- (a) any participant or partner in or member or beneficiary of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed by its Fund Manager or a Fund Manager which is a Member of the Same Group as that Fund Manager;
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;
- (d) the Fund Manager of that Investment Fund and vice versa; or
- (e) any Member of the same Group as that Fund Manager;

**"NDRC"**

National Digital Research Centre Limited having its registered office at Digital Exchange, Crane Street, The Digital Hub, Dublin 8;

**"Nominee Company"**

Reyker Nominees Ltd acting in its capacity as the nominee of the investors in the Jenson SEIS Fund, or such other nominee company from time-to-time appointed by the SEIS Fund Manager to act as the nominee of the investors in the Jenson Seed EIS Fund;

**"Permitted Transfer"**

means a transfer of Shares made in accordance with Article 6.4;

**"Permitted Transferee"**

means, in relation to:

- (a) aFund, to (i) a Member of the Same Fund Group as the Fund or its Fund Manager, or (ii) an Associated Company of the Invest Growth Fund, Jenson or the SEIS Fund Manager, or (iii) any nominee of aFund (or of a Member of the Same Fund Group as aFund);
- (b) a Shareholder which is a Company, a Member of the Same Group as that company; and
- (c) a Shareholder who is an individual, to a Privileged Relation;
- (d) NDRC, any person who is a shareholder of NDRC, any directly or indirectly publicly-owned body, any company incorporated by NDRC, or any person connected (within the meaning of section 10 of the Taxes Consolidation Act 1997 of Ireland as amended) with any one or more such persons as aforesaid or in accordance with the terms of any direction of the Minister for Communications, Energy and Natural Resources of Ireland (or any direction given on his behalf); and/or as part of a transfer of a majority of all of the equity interests held by NDRC to any third party,.

<b>"Privileged Relation"</b>	means a spouse (or widow or widower) and/or children (but excluding step or adopted children);
<b>"Relevant Agreement"</b>	means any agreement entered into by all of the Shareholders (which for the purposes of this definition shall include a person whose Shares are held by a bare nominee or custodian) and the Company from time to time in respect of the Company and their dealings with each other in their role as Shareholders;
<b>"Relevant Shares"</b>	Means 75% of the Shares held by a Founder at the point he becomes a Leaver;
<b>"Sale"</b>	means the sale of (or the grant of a right to acquire or dispose of) any Shares (in one transaction or as series of transactions) which will result in the purchaser of such Shares (or grantee of such right) and persons connected (in terms of section 839 of the Income and Corporation Taxes Act) with him together having an interest directly or indirectly in Shares conferring in the aggregate 90% or more of the total voting rights conferred by all of the issued Shares;
<b>"SEIS"</b>	the Seed Enterprise Investment Scheme as set out in part 5A of the Income Tax Act 2007 (as amended);
<b>"SEIS Fund Manager"</b>	Foresight Group LLP a limited liability partnership registered in England and Wales with registered number OC300878 whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU;
<b>"Shares"</b>	means ordinary shares of £0.001 each in the Company's share capital from time to time (each being a "Share");



**"Shareholders"** means all of the shareholders in the Company from time to time (each being a **"Shareholder"**);

**"Subscription Price"** means the price paid for each Share including the par value and any premium thereon.

## **2. SHARE CAPITAL**

The issued share capital of the Company at the Adoption Date is £678.15 divided into 678,154 Shares of £0.001 each.

## **3. SHARES RIGHTS AS TO DIVIDEND AND DISTRIBUTIONS**

### **3.1 Dividends**

3.1.1 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Shares pro rata to their respective holdings of Shares.

3.1.2 Subject to the Companies Acts, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.

3.1.3 Each dividend shall be distributed to the Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.

### **3.2 Distribution on Liquidation**

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) among the holders of the Shares pro rata to the number of Shares held.

### **3.3 Distribution on exit**

3.3.1 The proceeds of a Sale shall be distributed pro rata among the Shareholders as set out in Article 3.2. The Directors shall not register any transfer of Shares if the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares (**"Sale Proceeds"**) is not distributed in that manner provided that if the Sale Proceeds due on the date of completion of the Share Sale have been distributed pro rata among the Shareholders as set out in Article 3.2.

3.3.2 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 3.2.

## **4. SHARE RIGHTS AS TO VOTING**

Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands every holder of Shares who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a holder of Shares shall have one vote, and on a poll every holder of Shares

who is present in person or by proxy or (being a corporation) is present by representative or by proxy shall (except as provided in these Articles) have one vote for every Share of which he is the holder.

## **5. ALLOTMENT OF SHARES**

- 5.1 All Shares or Convertible Securities which the Directors propose to issue, shall first be offered to the Shareholders in proportion (as nearly as they may be) to the number of Shares already held by them respectively. The offer shall be made by notice in writing specifying the number of Shares or Convertible Securities, and stating a period (of not less than fourteen days) within which the offer, if not accepted, will be deemed to have been declined. After the expiration of that period, those Shares so deemed to be declined, shall be offered to the Shareholders who have, within the stated period, accepted all the Shares or Convertible Securities offered to them. Such further offer shall be made in like terms, in the same proportions and the same manner, and limited by a like period as the original offer.
- 5.2 Any Shares or Convertible Securities not accepted in respect of such offer (or further offer) as is mentioned in Article 5.1 or which cannot be offered except by dividing Shares or Convertible Securities into fractions, shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of them to such persons, on such terms and in such manner as they think fit, provided that they shall not be disposed of on terms which are more favourable than the terms on which they were offered to the Shareholders.
- 5.3 The provisions of Article 5.1 may be disapplied with the consent of the holders of 75% or more of the issued Shares which must include the Funds and NDRC. Any Shares or Convertible Securities so released from the provisions of Article 5.1 shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of them to such persons, on such terms and in such manner as they think fit.
- 5.4 The provisions of Article 5.1 shall not apply to the issue of no more than 10 additional Shares to the Nominee Company provided that such Shares are issued to the Nominee Company at a price of no less than that paid by the Nominee Company for its Shares issued pursuant to the Relevant Agreement.
- 5.5 The Funds may with prior written notice to the Company assign their rights of pre-emption under Article 5.1 to a Member of the Same Fund Group.
- 5.6 NDRC may with prior written notice to the Company assign its rights of pre-emption under Article 5.1 to a Member of the Same Group.
- 5.7 Section 561 and section 566 of the Act (which impose statutory rights of pre-emption) shall not apply to the Company.

## **6. TRANSFER OF SHARES**

- 6.1 Subject to the provisions of this Article 6 and Article 7 below the Directors shall register the transfer of any Share which has been transferred in accordance with this Article 6 and Article 7 below.
- 6.2 Subject to the provisions of the Relevant Agreement all other regulations of the Company relating to the transfer of Shares and the right to registration of transfers shall be read subject to the provisions of this Article but to the extent that this Article conflicts with any other Article then such other Article shall take precedence.
- 6.3 The Directors shall refuse to register any transfer of Shares made in contravention of the





provisions of this Article 6 and Article 7. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles the Directors may request the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.

6.4 Notwithstanding any other provision of these Articles (other than Article 7):

6.4.1 The Shareholders (each an "**Original Shareholder**"), may transfer all or any of his or its Shares (subject, where applicable to the compulsory transfer provisions of Article 7) to a Permitted Transferee, provided that, in the case of an individual Shareholder transferring to a Privileged Relation, the Board has provided its consent to the transfer, such consent not to be unreasonably withheld.

6.4.2 If the Original Shareholder is a Fund, if a Permitted Transfer has been made in accordance with Article 6.4.1, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Fund Group as a Fund, transfer the Shares held by it to:

- (a) the applicable Fund; or
- (b) a Member of the Same Fund Group as the applicable Fund,

(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 6.4.2, 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 6.4.2.

6.4.3 If the Original Shareholder is a company, if a Permitted Transfer has been made in accordance with Article 6.4.1, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) 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 6.4.3, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 6.4.3;

6.4.4 If the Original Shareholder is an individual, if a Permitted Transfer has been made in accordance with Article 6.4.1, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Privileged Relation, transfer the Shares held by him/her to the Original Shareholder for such consideration as may be agreed between them. If the Permitted Transferee fails to make a transfer in accordance with this Article 6.4.4, 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 6.4.4.

6.4.5 In the event of death of any individual Investor or Founder, the shares held by that Investor or Founder (subject, where applicable to the compulsory transfer provisions of Article 7) may be transferred to his or her Privileged Relations by virtue of provision in his or her will, provided that the Board has provided its consent to the transfer, such consent not to be unreasonably withheld. If any individual Investor or Founder dies intestate or purports to leave his or her shares to someone other than a Privileged Relation, he or she (or their

personal representatives) shall be deemed to have given a Transfer Notice in respect of his or her shares, in which event the remaining provisions of this Article 6 shall apply.

- 6.4.6 In respect of a Privileged Relation who has obtained shares by virtue of Articles 6.4.1 or 6.4.4, the provisions of those Articles shall not permit that Privileged Relation to transfer such shares to any person other than (a) the Original Shareholder from whom such shares were acquired or (b) any person to whom such shares could have been transferred by the Original Shareholder had he or she remained the holder thereof.
- 6.5 Save as otherwise provided in these Articles every Shareholder who desires to transfer Shares (hereinafter called the "**Vendor**") shall give to the Company notice in writing of such desire (hereinafter called a "**Transfer Notice**"). Subject as hereinafter mentioned a Transfer Notice (whether deemed or not) shall constitute the Company the Vendor's agent for the sale of the Shares specified therein (hereinafter called the "**Sale Shares**") in one or more lots at the discretion of the Directors to all the holders of Shares other than the Vendor at the Sale Price in accordance with the remaining provisions of this Article 6;
- 6.6 The price at which the Sale Shares are sold (the "**Sale Price**") shall be the price agreed by the Vendor and the Directors and with Investor Consent or if the Vendor and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to be given if the Transfer Notice is a deemed Transfer Notice an Expert shall be appointed to determine (and to notify the Company in writing of) in his opinion the fair value thereof on a going concern basis (if appropriate) as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest or any uplift in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a majority interest and on the assumption that the Sale Shares are capable of transfer without restriction ("**the Fair Market Value**"). Save for Shares sold pursuant to a deemed Transfer Notice the Transfer Notice may contain a provision that unless all the Shares comprised therein are sold by the Company pursuant to this Article none shall be sold (a "**100 per cent Provision**") and any such provision shall be binding on the Company.
- 6.7 If an Expert is asked to determine the Fair Market Value, as soon as the Company receives his determination it shall furnish a certified copy thereof to the Vendor and save for Shares to be sold pursuant to a deemed Transfer Notice the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the Expert's determination shall be borne by the Company unless the Vendor shall have given notice of cancellation as aforesaid in which case the Vendor shall bear the cost.
- 6.8 Upon the Sale Price being agreed or determined and provided the Vendor shall not give a valid notice of cancellation pursuant to Article 6.6 the Company shall forthwith offer the Sale Shares to all holders of Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing numbers of Shares held by such Shareholders giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such Shareholder as aforesaid to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the Shareholders hereinbefore mentioned have not so stated their willingness to purchase the Company shall offer such Shares to such Shareholders as have stated in writing their willingness to purchase all the Shares previously offered to them. Such remaining Shares shall be offered pro rata as nearly as may be in proportion to the existing numbers of Shares then held by such Shareholders which offer shall remain open for a further period of twenty-one days and if any Shares remain to be purchased the Company may (if it is legally able to do so) inform the Vendor that it is willing to buy back such Shares.

- 6.9 If the Company shall legally be able (with Investor Consent) to purchase such Sale Shares or shall find a Shareholder or Shareholders of the Company willing to purchase any or (if the Transfer Notice contained a 100 per cent Provision) all of the Sale Shares, the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers in the absence of a 100 per cent Provision) to such persons. If the Vendor shall make default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor any director and shall be authorised to execute transfers of the Sale Shares in favour of the purchasers and the Company shall enter the names of the purchasers in the register of Shareholders of the Company as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.
- 6.10 If the Directors shall not have found a Shareholder or Shareholders of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article the Vendor (except where the Shares are offered for sale pursuant to a deemed Transfer Notice) shall at any time within six months after the final offer by the Company to its Shareholders be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price (taking into account all terms of the sale) being no less than the Sale Price.
- 6.11 The foregoing provisions of this Article and Article 7 below shall not apply to a transfer if the holders of 75% of the Shares so direct in writing and with Investor Consent, and the Directors shall be obliged to register any such transfer.

## **7. COMPULSORY TRANSFERS**

If the Founder becomes a Bad Leaver or a Good Leaver within 3 years of the Adoption Date, a Transfer Notice shall be deemed to have been served, on the date that the Founder becomes a Bad Leaver or a Good Leaver, in respect of a number of Relevant Shares which shall be subject to compulsory transfer (such shares, "**Bad Leaver Shares**" or "**Good Leaver Shares**" as relevant). The number of shares subject to compulsory transfer shall be calculated using the following formula:

Number of shares subject to transfer = Relevant Shares- ((Mo ÷ 36) x Relevant Shares)

**Mo** = the number of full calendar months from the Adoption Date until the date the Founder becomes a Leaver under this Article 7;

and the provisions of Articles 6.8 to 6.11 shall apply provided that the Sale Price for each Bad Leaver Share shall be the lower of the Subscription Price or nominal value and the sale price for each Good Leaver Share shall be the higher of the Fair Market Value (determined by an Expert) and the Subscription Price.

## **8. LIEN, CALLS ON SHARES AND FORFEITURE**

- 8.1 The Company shall have a first and paramount lien on every Share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to any amount payable in respect of it.
- 8.2 The Company may sell in such manner as the Directors determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold. This lien



shall attach also to fully paid Shares, and the Company shall also have a first and paramount lien on all Shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company (whether that person is the full registered holder of those Shares or one of two or more joint holders) for all sums presently payable by him or his estate to the Company.

- 8.3 To give effect to a sale the Directors may authorise some person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 8.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.
- 8.5 Subject to the terms of allotment, the Directors may make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Shareholder shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 8.6 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 8.7 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 8.8 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part.
- 8.9 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 8.10 Subject to the terms of allotment, the directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 8.11 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited and all expenses that may have been incurred by the Company by reason of such non-payment
- 8.12 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors



and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

- 8.13 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 8.14 A person any of whose Shares have been forfeited shall cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 8.15 A statutory declaration by a Director or the secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the Share.

## **9. NOTICES OF GENERAL MEETINGS**

Every notice convening a general meeting shall comply with the provisions of section 325(1) of the Act as to giving information to Shareholders in regard to their right to appoint proxies; and notices of, and other communications relating to, any general meeting which any Shareholder is entitled to receive shall be sent to the Directors and to the auditors of the Company.

## **10. QUORUM AT GENERAL MEETINGS**

- 10.1 The quorum for a general meeting shall be three Shareholders present in person or by proxy, including a duly appointed representative of each of the Investors (the Nominee Company's representative to be nominated by Jenson) unless otherwise agreed in writing by the Invest Growth Fund and Jenson.
- 10.2 If a quorum is not present within half an hour from the time appointed for the start of a general meeting the meeting shall be adjourned for a period of 14 Clear Days at the same time and place, or at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start then the Shareholders present shall constitute a quorum.
- 10.3 Article 41 of the Model Articles shall not apply to the Company.

## **11. NUMBER OF DIRECTORS**





Subject to the provisions of the Relevant Agreement the maximum number and the minimum number of Directors may be determined from time to time by Ordinary Resolution in general meeting of the Company. Subject to and in default of any such determination, there shall be no maximum number of Directors and the minimum number shall be one. Whenever the minimum number of Director is one, a sole Director shall have authority to exercise all the powers and discretions vested in the Directors generally, and Article 11 of the Model Articles (which relates to the quorum at board meetings) is modified accordingly.

## **12. APPOINTMENT OF DIRECTORS**

Subject to the provisions of the Relevant Agreement, the Company may by Ordinary Resolution in general meeting appoint any person who is willing to act to be a Director, to fill a vacancy provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with the Relevant Agreement and Article 11 as the maximum number of Directors and for the time being in force

## **13. BOARD MEETINGS**

13.1 Board meetings shall be held in accordance with the provisions of the Relevant Agreement.

13.2 The quorum for a Board meeting shall be three Directors present in person or through their alternates, including each of the appointed Investor Directors, unless otherwise agreed by the Invest Growth Fund and/or Jenson (as applicable) in writing, provided that if there is only one Director appointed, a sole director may constitute a quorum and in the event notice of a meeting of the Directors has been correctly given and a quorum is not constituted at such meeting of the Directors after half an hour from the time appointed for such meeting then the Directors present shall adjourn the meeting for a period of fourteen Clear Days (and shall notify immediately (in writing) the absent Directors of the date, time and venue for such adjourned meeting) and in the event that at such adjourned meeting a quorum is still not present then those Directors present shall constitute a quorum (notwithstanding the provisions of this Article) to enable the adjourned meeting to proceed with the business of the agenda for that meeting.

13.3 Board meetings may be held by telephone and for the purposes of determining whether the quorum for the transaction of the business of the Directors exists any Director or Directors in communication with any other Director or Directors shall be counted in the quorum and Article 11 of the Model Articles shall be modified accordingly.

## **14. RETIREMENT OF DIRECTORS**

The Directors shall not be required to retire by rotation.

## **15. DIRECTORS' BORROWING POWERS**

Subject to the provisions of the Shareholder's Agreement the Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into Shares) to section 551 of the Act, to grant any mortgage, charge of standard security over the Company's undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.



## **16. ALTERNATE DIRECTORS**

- 16.1 An alternate Director shall not be entitled as such to receive any remuneration from the Company, except that he may be paid by the Company such part (if any) of the remuneration otherwise payable to the director by the Company as the director shall from time to time direct.
- 16.2 A Director may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

## **17. GRATUITIES AND PENSIONS**

The Directors may exercise the powers of the Company conferred by these Articles and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

## **18. DIRECTORS' INTERESTS IN TRANSACTIONS**

- 18.1 At any meeting of the Directors (or of any Committee of the Directors) a Director may vote on any resolution, notwithstanding that it in any way concerns correlates to a matter in which he has, directly or indirectly, any kind of interest. If he does vote on any such resolution, his vote shall be counted. Such a Director shall be counted as part of the quorum present at the meeting (and in relation to such a resolution) whether or not the Director votes on the resolution.
- 18.2 Articles 14 of the Model Articles shall not apply to the Company.

## **19. COMPANY SEAL**

- 19.1 Model Article 49(1) is modified, such that any common seal of the Company may be used by the authority of the Directors or any committee of Directors.
- 19.2 Model Article 49(3) is modified by the deletion of all words which follow the "," after the word "document" and they are replaced with "the document must also be signed by:
- (a) one authorised person in the presence of a witness who attests the signature; or
  - (b) two authorised persons".

## **20. INDEMNITY**

- 20.1 Every Director, or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 661 or section 1157 of the Act in which relief is granted to him by the Court; and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall have effect only in so far as its provisions are not



avoided by section 232 and 532 of the Act.

20.2 The Directors may purchase and maintain for any Director, officer or auditor of the Company, insurance against any such liability as is referred to in section 232 and 532 of the Act.

20.3 Article 52 of the Model Articles shall not apply to the Company.

