

ARTICLES OF ASSOCIATION

of

REGULAR LIMITED

(As adopted by special resolution passed on 5 December 2022)

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THE COMPANIES ACT 2006
PRIVATE COMPANY
LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

REGULAR LIMITED (No. SC237182)
(the "Company")

(As adopted by special resolution passed on 5 December 2022)

1 APPOINTMENT OF DIRECTORS

- 1.1 The number of Directors shall be not more than four and not be less than two, at least three of whom shall be KHL Directors and one shall be a Founder Director.
- 1.2 For so long as KHL hold Shares, KHL shall have the right to appoint, maintain in office and remove and replace three KHL Directors.
- 1.3 For so long as the Founder holds 25% or more of the Shares, the Founder shall have the right to appoint, maintain in office and remove and replace one Founder Director.
- 1.4 Any appointment or removal of a KHL Director appointed under Article 1.2 shall be by notice in writing served on the Company and shall take effect immediately.
- 1.5 Any appointment or removal of a Founder Director appointed under Article 1.3 shall be by notice in writing served on the Company and shall take effect immediately.

2 QUORUM

- 2.1 The quorum for meetings of the Board shall be one KHL Director and one Founder Director (save that where there is only one director in office the quorum shall be one).
- 2.2 If within half an hour from the time appointed for a board meeting a quorum is not present or if a quorum ceases at any time to be present during the continuance of a board meeting, the meeting shall be adjourned to a date, no sooner than one week from the initial board meeting, at the same time and place. If a quorum is still not participating within half an hour from the time appointed for the adjourned meeting, then the meeting shall proceed and be regarded as properly quorate where at least one KHL Director is present.
- 2.3 No resolution of the Directors shall be effective unless carried by a majority of the Directors.

3 DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST

- 3.1 The Board shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Act to avoid a situation in which that Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 3.2 Authorisation of a matter under this Article 3 shall be effective only if:
 - (a) any requirement as to the quorum at the meeting of the Board at which the matter is considered is met without counting the Director in question and any other interested Director (together the "Interested Directors"); and
 - (b) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted,

and, if this is not the case, the relevant matter shall be referred to the Shareholders for authorisation in accordance with the Act.

3.3 Any authorisation of a matter under this Article 3:

- (a) may extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) shall be subject to such conditions or limitations as the Board may determine, whether at the time such authorisation is given or subsequently; and
- (c) may be terminated or suspended by the Board at any time,

provided always that any such termination or suspension or the imposition of any such conditions or limitations will not affect anything done by the Director concerned prior to such event in accordance with the relevant authorisation.

3.4 A Director shall comply with the terms of any such authorisation and with any policies or procedures dealing with conflicts of interest which are from time to time approved by the Board.

3.5 Articles 3.1 to 3.4 (inclusive) shall not apply to any interest permitted under Article 4.

4 PERMITTED INTERESTS

4.1 Subject to compliance with Article 4.3 a Director may:

- (a) be a party to, or otherwise interested in, any proposed or existing contract, transaction or arrangement with a Relevant Company;
- (b) hold any other office or place of profit with any Relevant Company (except that of auditor) in conjunction with their office of Director;
- (c) alone, or through a firm with which they are associated, do paid professional work (except as auditor) for any Relevant Company and be entitled to remuneration for professional services as if they were not a Director;
- (d) be a Director or other officer or trustee or representative of, employed by, a partner or a member of, hold shares or other securities (whether directly or indirectly) in, or otherwise be interested in, any Relevant Company; and/or
- (e) have any interest which has been authorised by an ordinary resolution of the Company, subject to any terms or conditions applicable to such authorisation under or pursuant to such resolution.

4.2 For the purposes of Article 4.1 a "Relevant Company" means:

- (a) any member of the Group; or
- (b) any other body corporate promoted by the Company or in which the Company is otherwise interested.

4.3 Subject to Article 4.4, a Director shall declare the nature and extent of any interest permitted under Article 4.1 at a meeting of the Board or in the manner set out in section 184 or section 185 of the Act (irrespective of whether the interest is in a transaction or arrangement with the Company and whether the Director is under a duty under the Act to make such a declaration) or in such other manner as the Board may lawfully determine.

4.4 No declaration of an interest shall be required by a Director:

- (a) in relation to an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;

- (b) in relation to an interest of which the Director is not aware (and for these purposes, the Director concerned is treated as aware of anything of which they ought reasonably to be aware);
 - (c) if, or to the extent that, the other Directors are already aware of such interest (and for these purposes, the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
 - (d) if, or to the extent that, it concerns the terms of their service contract.
- 4.5 If a Director has an interest which is permitted under Article 4.1 the Director concerned shall comply with any policies or procedures dealing with conflicts of interest and with any specific terms relating to that Director which are (in each case) from time to time approved by the Board.
- 5 **BENEFITS**

A Director shall not by reason of their holding office as Director (or of any fiduciary relationship established by holding that office), be accountable to the Company for any benefit, profit or remuneration which the Director concerned or any person connected with them derives from any matter authorised under Article 3 or any interest permitted under Article 4.
- 6 **CONTRACTS**

No contract, transaction or arrangement relating to any matter authorised under Article 3 or any interest permitted under Article 4 shall be liable to be avoided by virtue of such authorised matter or permitted interest.
- 7 **CONFIDENTIAL INFORMATION**
 - 7.1 Subject to any terms imposed by the Board and/or to any policies or procedures dealing with conflicts of interests which are from time to time approved by the Board, a Director shall be under no obligation to disclose to the Company any information which they obtain or have obtained otherwise than as a Director of the Company and in respect of which they owe a duty of confidentiality to another person in relation to any matter authorised under Article 3 or any interest permitted under Article 4.
 - 7.2 Article 7.1 is without prejudice to any equitable principle or rule of law which may excuse a Director from disclosing information where these Articles would otherwise require them to do so.
- 8 **QUORUM IN RESPECT OF CONFLICTS**

Subject to any terms imposed by the Board and/or to any policies or procedures dealing with conflicts of interests which are from time to time approved by the Board, a Director:

 - 8.1 shall be counted in the quorum for and shall be entitled to attend and vote at any meeting of the Board in relation to:
 - (a) any proposed or existing contract, transaction or arrangement with the Company in which that Director is interested and which is permitted under Article 4.1(a); and
 - (b) any resolution relating to a matter authorised under Article 3 or any interest which is permitted under Article 4.1; and/or
 - 8.2 may, where they reasonably believe that any actual or potential conflict of interest arising out of any matter authorised under Article 3 or any interest permitted under Article 4 exists:

- (a) absent themselves from any meeting of the Board (or part of any meeting) at which any such matter or interest will or may be discussed; and/or
- (b) make arrangements not to receive or review documents or information relating to any such matter or interest and/or for such documents or information relating to any such matter or interest to be received and reviewed by a professional adviser.

9 RETIREMENT OF DIRECTORS

Directors shall not be required to retire by rotation or on the grounds of age.

10 NOTICES

10.1 A notice given to a party pursuant to these Articles:

- (a) shall be in writing and in English;
- (b) shall be signed by or on behalf of the party giving it; and
- (c) shall be sent to the party for the attention of the contact and to the address, or email address provided, or such other contact, address, email address as that party may notify.

10.2 A party may change its details for service of notices by giving notice to the other parties (provided that in the case of change to the party's postal address the new address is an address in the UK), the change taking effect for the party notified of the change at 9.00 am on the later of:

- (a) the date, if any, specified in the notice as the effective date for the change; and
- (b) the date five Business Days after deemed receipt of the notice.

10.3 A notice or other document shall be deemed to have been served or delivered:

- (a) if delivered by hand, on signature of a delivery receipt;
- (b) if sent by pre-paid first class post or another next working day delivery service providing proof of postage or delivery, at 9.00 am on the second Business Day after posting;
- (c) if sent by pre-paid airmail providing proof of postage or delivery, at 9.00 am on the fifth Business Day after posting or at the time recorded by the delivery service; or
- (d) if sent by email, at the time of transmission,

PROVIDED that if deemed receipt under the previous paragraphs of this Article 10.3 would occur outside Usual Business Hours, the notice shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this article, Usual Business Hours means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice (which, in the case of service of a notice by email shall be deemed to be the same place as is specified for service of notices on the relevant party by hand or post).

10.4 A notice or other document delivered or left at a registered address or address for service shall be deemed to have been served or delivered in accordance with Article 10.3.

10.5 A notice or other document sent in electronic form shall be deemed to have been served or delivered at the time it was sent. Proof that a notice or other document in electronic form was sent in accordance with guidance issued from time to time by the Institute of Chartered Secretaries and Administrators (together with electronic confirmation that an

email has been opened by the recipient) shall be conclusive evidence that the notice was given.

10.6 In calculating a period of hours for the purposes of this Article 10, no account shall be taken of any part of a day that is not a Business Day.

10.7 Any notice to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board.

11 INDEMNITY

If and only to the extent permitted by law, every Director, secretary or other officer (excluding an auditor) of the Company shall be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by that person:

11.1 in connection with any negligence, default, breach of duty or breach of trust by that person in relation to the Company;

11.2 in performing their duties;

11.3 in exercising their powers;

11.4 in claiming to perform their duties or exercise their powers; and/or

11.5 otherwise in relation to or in connection with their duties, powers or office.

12 INSURANCE

12.1 If and only to the extent permitted by law, but without prejudice to the power contained in Article 11, the Directors may purchase and maintain at the expense of the Company insurance for or for the benefit of any persons who are or were at any time Directors, officers (excluding an auditor) or employees of the Company or any related company or trustees of any pension fund or employees' share scheme in which any employees of the Company or any related company are interested.

12.2 In this Article "related company" means:

- (a) any company which is or was the Company's holding company; or
- (b) any body (whether incorporated or not) in which the Company or any holding company has or had any kind of interest (whether direct or indirect); or
- (c) any body (whether incorporated or not) which is associated or connected in any way with the Company or any holding company of the Company; or
- (d) any predecessors in business of the Company or any other body referred to in this Article 12.2; or
- (e) any body (whether incorporated or not) which is a subsidiary undertaking of the Company or any other body referred to in this Article 12.2.

13 FUNDS TO MEET EXPENDITURE

13.1 The Company (if and only to the extent permitted by law):

- (a) may provide a Director or officer (excluding an auditor) or a former Director or officer (excluding an auditor) of the Company with funds to meet expenditure incurred or to be incurred by that person:
 - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by that person in relation to the Company; or

- (ii) in connection with any application for relief under any of the provisions mentioned in section 205(5) of the Act; or
 - (iii) in defending themselves in any investigation by a regulatory authority or against action proposed to be taken by a regulatory authority, in connection with any alleged negligence, default, breach of duty or breach of trust by that person in relation to the Company; or
 - (b) may do anything to enable a Director or officer (excluding an auditor) or a former Director or officer (excluding an auditor) of the Company to avoid incurring such expenditure.
- 14 ISSUE OF SHARES
- 14.1 Unless approved in writing by the holders of 75% of the entire issued share capital of the Company, the Company shall not issue any Shares.
- 14.2 Subject to the Act, any offer of unissued Shares in the Company shall, before allotment or issue to any person on any terms, first be offered on no less favourable terms to each Shareholder (other than any Shareholder who has been deemed to have served a Transfer Notice for the time being) in proportion (as nearly as practicable) to the number of Shares then held by such Shareholders respectively.
- 14.3 Any offer pursuant to Article 14.2 above shall:
- (a) be in writing;
 - (b) be open for acceptance for a period of at least 20 Business Days (the "Offer Period");
 - (c) give details of the number of Shares to be issued and the subscription price payable for such Shares; and
 - (d) invite each Shareholder to apply in writing, before expiry of the Offer Period, for such maximum number of the Shares to be issued as they are willing to subscribe for, being the aggregate of:
 - (i) such number (if any) of their pro rata entitlement of the Shares to be issued; and
 - (ii) such number (if any) of the Shares to be issued in excess of their pro rata entitlement that are not accepted by the other Shareholders,
 that the relevant Shareholder is willing to subscribe for.
- 14.4 Shares offered in accordance with Articles 14.2 and 14.3 (or as many of them as the Shareholders shall have applied for) shall be allotted on the same terms to and amongst the Shareholders who shall have applied for them on the earlier of:
- (a) the date falling two Business Days after the date of expiry of the Offer Period; or
 - (b) the date falling two Business Days after the date on which the Company receives notice of the acceptance or refusal of every offer so made,
- (the "Allotment Date").
- 14.5 The Board shall allocate and allot the Shares referred to in Article 14.4 in accordance with the applications received, subject to the other provisions of these Articles, but so that:
- (a) if there are applications for more than the number of Shares available, they shall be allocated to the applicants in proportion (as nearly as possible but without allocating to any Shareholder more Shares than the maximum number of Shares

applied for by that Shareholder) to the number of Shares then held by the applicants respectively;

- (b) if it is not possible to allocate any of the Shares without involving fractions, the treatment of such fractions when allocating the Shares amongst the applicants shall be in such manner as the Board shall think fit; and
- (c) no Shareholder shall be obliged to take more than the maximum number of Shares applied for by that Shareholder.

14.6 The Directors may, within the period of six months from the Allotment Date, dispose of any unissued Shares in the Company offered but not allotted to the Shareholders pursuant to Articles 14.1 to 14.5 to such persons as the Board shall determine at a price and on terms no more favourable than those at which such Shares were initially offered to the Shareholders.

14.7 Sections 561 and 562 of the Act shall not apply to the Company.

15 TRANSFER OF SHARES - GENERAL

15.1 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer is permitted by Article 16 (Permitted Transfers) or made in accordance with Article 17 (Pre-Emption), Article 18 (Obligatory Transfers), Article 19 (Drag Along Option) or Article 20 (Tag Along Option).

15.2 For the purpose of ensuring that a transfer of Shares is made in accordance with these Articles or that no circumstances have arisen whereby a Shareholder may be bound to give or be deemed to have given a Transfer Notice, the Board may from time to time require a Shareholder or any person named as transferee in any transfer lodged for registration to provide the Board with such information and evidence as the Board (acting reasonably) may deem relevant to such purpose.

15.3 If such information or evidence requested by the Board under Article 15.2:

- (a) is not provided within a reasonable time after such a request, the Board may (acting reasonably) refuse to register the transfer in question or (where no transfer is in question) require by notice in writing to the Shareholder(s) concerned that a Transfer Notice be given in respect of the Shares concerned; or
- (b) discloses to the satisfaction of the Board in its absolute discretion that circumstances have arisen whereby a Shareholder may be bound to give or be deemed to have given a Transfer Notice the Board may in its absolute discretion by notice in writing to the Shareholder(s) concerned require that a Transfer Notice be given in respect of the Shares concerned.

15.4 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share with full title guarantee free from any Encumbrance and together with all rights then attaching thereto.

16 PERMITTED TRANSFERS

16.1 Subject to the provisions of this Article 16, any Shareholder may transfer any of the Shares held by that Shareholder to a Permitted Transferee.

16.2 A Shareholder that has acquired Shares as a Permitted Transferee of a current or former Shareholder by way of one or more Permitted Transfers may only transfer Shares pursuant to Article 16.1 to that original Shareholder or a Permitted Transferee of that original Shareholder.

16.3 If required in writing by the Board, a Permitted Transferee will enter into an irrevocable power of attorney appointing such attorney as the Board directs to be the Permitted

Transferee's attorney to execute any transfer and to do such other things as may be necessary or desirable to ensure that the provisions of this Article 16 are complied with.

- 16.4 If a Permitted Transferee ceases for whatever reason to be a Permitted Transferee of the original Shareholder, such Permitted Transferee must as reasonably practicable after the date on which the Permitted Transferee so ceases transfer the Shares held by them to the original Shareholder or a Permitted Transferee of the original Shareholder failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

17 PRE-EMPTION

- 17.1 Except as permitted under Article 16 (Permitted Transfers), Article 18 (Obligatory Transfers), Article 19 (Drag Along Option) or Article 20 (Tag Along Option), any Shareholder who wishes to transfer (the "Seller") all or any of its Shares (the "Sale Shares") to any person (the "Proposed Transferee"), must give notice in writing (a "Transfer Notice") to the Company and the other Shareholders giving details of the proposed transfer including:

- (a) the number of Sale Shares they wish to transfer;
- (b) the identity of the person (if any) to whom the Seller wishes to transfer the Sale Shares; and
- (c) the price per Share at which the Seller wishes to transfer the Sale Shares and any other terms relating to the transfer of the Sale Shares.

- 17.2 Except with the prior written consent of the Board and subject to Article 17, no Transfer Notice once given or deemed to have been given may be withdrawn.

- 17.3 The Transfer Notice shall constitute the Company as the agent of the Seller for the transfer of the Sale Shares.

17.4 Transfers – First Offer

- (a) The Board shall offer the Sale Shares to all Shareholders (excluding the Seller) (the "Continuing Shareholders"), inviting them to apply in writing within ten (10) Business Days of the date of the offer (the "First Offer Period") for the maximum number of Sale Shares they wish to buy. If, 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 Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- (b) If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the surplus Sale Shares (the "Surplus Shares") to the Continuing Shareholders in accordance with their applications as set out at 17.5 below.

17.5 Transfers – Second Offer

- (a) At the end of the First Offer Period, the Board shall offer the Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within ten (10) Business Days of the date of the offer (the "Second Offer Period") for the maximum number of Surplus Shares they wish to buy.
- (b) If, at the end of the Second Offer Period, the number of Surplus Shares applied for exceeds the number of Surplus Shares, the Board shall allocate the remaining Surplus Shares to each Continuing Shareholder who has applied for Surplus

Shares in the proportion that his existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Surplus Shares which he has stated he is willing to buy.

17.6 Completion

If allocations have been made in respect of the Sale Shares, the Board shall, when no further offers are required to be made under Article 17.4 and Article 17.5, give written notice of allocation (the "Allocation Notice") to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (the "Applicant"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (the "Consideration") and the place and time for completion of the transfer of the Sale Shares (which shall be not more than fifteen (15) Business Days after the date of the Allocation Notice). On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares in accordance with the requirements specified in the Allocation Notice

17.7 If the Seller fails to comply with the requirements of the Allocation Notice, the Board (or, or some other person, nominated by a resolution of the Board) may, as agent and attorney on behalf of the Seller:

- (a) complete, execute and deliver in his name all documents including without limitation deeds and carry out all acts for the purpose of the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Consideration and give a good discharge for it subject to the set off of any amounts owing by the Seller; and
- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them.

17.8 The Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller (or his estate in the case of his death) until he (or his executors or personal representatives in the case of his death) has delivered the certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, 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.

17.9 If after the expiry of the First Offer Period and the Second Offer Period the total number of Sale Shares applied for is less than the number of Sale Shares (the "Unallocated Shares"), the Board shall notify the Seller and the Seller shall be entitled to transfer the Unallocated Shares on a bona fide arm's length sale to the Proposed Transferee. Any such transfer of Unallocated Shares shall be on terms no more or less favourable to the Proposed Transferee than those specified in the Transfer Notice, provided that the Proposed Transferee shall have entered into a Deed of Adherence.

18 OBLIGATORY TRANSFERS

18.1 An Obligatory Transfer Event Offer shall be irrevocable, subject to Article 18.2, and the Founder will be excluded from any offer or notice made or given under Article 15.

18.2 In this Article, an "Obligatory Transfer Event" occurs, in relation to any Relevant Person:

- (a) if that Relevant Person being an individual:
 - (i) becomes deceased or Incapable;

- (ii) a bankruptcy order is made against them, or an arrangement or composition is made with their creditors generally or they become unable to pay their debts as when they fall due, or he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors under the laws of any jurisdiction or he commits any act of bankruptcy within the meaning of the Bankruptcy (Scotland) Act 2016 or the occurrence of any analogous events in respect of the Founder under the laws of any jurisdiction;
- (iii) their employment by the Company, a Subsidiary or any other member of the DEAG Group ceases for any reason (in which case the Obligatory Transfer Event shall be deemed to have occurred on the relevant Termination Date) unless such Obligatory Transfer Event is waived by the Board;
- (iv) is convicted of a criminal offence (other than a minor traffic offence) resulting in imprisonment;
- (v) he is disqualified to act as a Director of the Company; or
- (vi) he commits a material unremedied breach of any shareholders' agreement to which the Company and any Shareholders are party relating to the operation of the Company or these Articles.

18.3 Where an Obligatory Transfer Event occurs in relation to the Relevant Person (the "Obligatory Transferor") he shall be deemed to have offered all of his Shares (the "Relevant Shares") to the other Shareholders (the "Obligatory Transfer Event Offer") immediately upon the occurrence of the Obligatory Transfer Event and such offer shall be capable of acceptance by notice in writing by the other Shareholders (the "Acceptance Notice") for six months. If the Relevant Person ceases to be an employee then any Transfer Notice served by him before his Termination Date shall automatically lapse. If an Acceptance Notice is not received within the six-month period, then it shall automatically lapse and the Obligatory Transfer Event Offer shall be automatically revoked.

18.4 The occurrence of an Obligatory Transfer Event shall constitute KHL or its nominee as the agent and attorney of the Obligatory Transferor for the transfer of all his Relevant Shares to KHL or its nominee.

18.5 The price to be paid for the Relevant Shares shall be as follows:

- (a) an amount equal to the Fair Value of the Relevant Shares where the Obligatory Transfer Event is within Article 18.2(a)(i) (death/incapable) or Article 18.2(a)(iii) (leaver) where the Relevant Person is a Good Leaver;
- (b) an amount equal fifty percent (50%) of the Fair Value of the Relevant Shares where the Obligatory Transfer Event is within Article 18.2(a)(ii) (insolvency) or Article 18.2(a)(iii) (leaver) where the Relevant Person is a Bad Leaver;
- (c) an amount equal to the par value of the Relevant Shares where the Obligatory Transfer Event is within Article 18.2(a)(iv) (criminal offence) or Article 18.2(a)(v) (disqualification) or Article 18.2(a)(vi) (material breach); and
- (d) an amount equal to the Fair Value of the Relevant Shares in all other instances.

18.6 If the Obligatory Transferor or any of his successors and permitted assignees (including any trustee in bankruptcy/sequestration, executor/executrix of his estate should he become deceased, and any guardian, continuing attorney, or welfare attorney appointed

to his care should he become Incapable) fails to comply with the requirements of the Acceptance Notice, KHL shall, as agent and attorney of the Obligatory Transferor:

- (a) complete, execute and deliver in his name all documents including without limitation deeds and carry out all acts for the purpose of the transfer of the Relevant Shares to KHL or its nominee; and
- (b) receive the consideration for the Relevant Shares and give a good discharge for it subject to the set off of any amounts owing by the Obligatory Transferor.

18.7 On completion of the transfer of the Relevant Shares to KHL or its nominee in accordance with Article 18, the Company shall (subject to the transfers being duly stamped) enter KHL or its nominee in the register of members as Shareholder of the Relevant Shares.

18.8 KHL or its nominee shall pay the consideration for the Relevant Shares into a separate bank account on trust (but without interest) for the Obligatory Transferor (or his estate in the case of his death) until he (or the executor/executrix of his estate in the case of his death or his trustee in bankruptcy/sequestration, or any guardian, continuing attorney, or welfare attorney appointed to his care should he become Incapable) has delivered the certificate for the Relevant Shares (or an indemnity, in a form reasonably satisfactory to KHL, in respect of any lost certificate), together with such other evidence (if any) as the KHL may reasonably require to prove good title to the Relevant Shares.

18.9 If the Parties cannot mutually agree the Fair Value, then the Fair Value shall be deemed not to be mutually agreed and an Expert shall be appointed to decide the Fair Value and the Expert's remit shall include determining the Fair Value as well as determining if an Exclusion Calculation should apply for the purposes of determining of the Fair Value. The decision of the Expert shall be final and binding on KHL and MJM.

18.10 Transfer of the Relevant Shares in accordance with Article 18 shall not be subject to the provisions of Article 17 (Pre-Emption).

19 DRAG ALONG OPTION

19.1 If the holder(s) of 50.1% or more of the total shares in issue for the time being in the Company (the "Selling Shareholders") wish(es) to transfer all (but not some only) of their Shares (the "**Sellers' Shares**") to a bona fide arm's length purchaser on arm's length terms (the "Proposed Buyer"), the Selling Shareholders shall have the option (the "Drag Along Option") to require all other Shareholders (the "Called Shareholders") to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article 19.

19.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (the "Drag Along Notice") at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. The Drag Along Notice shall specify:

- (a) that the Called Shareholders are required to transfer all their Shares (the "Called Shares") pursuant to this Article 19;
- (b) the identity of the Proposed Buyer;
- (c) the consideration payable for the Called Shares, which shall, for each Called Share be a cash amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and
- (d) the proposed date of completion of the transfer of the Called Shares.

19.3 No Drag Along Notice shall require a Called Shareholder to agree to any terms which are less favourable than those applicable to the Selling Shareholders.

- 19.4 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer directs) within thirty (30) Business Days of serving the Drag Along Notice (or such extended period as may be agreed between the Selling Shareholders, the Proposed Buyer and the Called Shareholders). The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice provided the Called Shareholders consent to such further notice and extension.
- 19.5 Within ten (10) Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver 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.
- 19.6 The Company's receipt for the amounts due pursuant to this Article 19 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to this Article 19 in trust for the Called Shareholders without any obligation to pay interest and, if the Called Shareholder is MJM, shall be subject to the set off of any amounts owing by the Called Shareholder in accordance with Article 19.4.
- 19.7 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 Selling Shareholder to be his agent and attorney to execute and deliver all documents including without limitation deeds and to carry out any act for the purposes of the implementing the transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. Each party unconditionally and irrevocably waives any rights which may affect the implementation of the process provided for in this Article 19. Failure to produce a share certificate or an indemnity in lieu of a lost share certificate shall not impede the registration of any transfer of Shares under this Article 19.
- 19.8 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 19 shall apply mutatis mutandis to the New Shareholder.
- 19.9 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.
- 19.10 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.

20 TAG ALONG OPTION

- 20.1 Subject to the provisions of this Article 20, any Shareholders (together the "Seller") holding not less than 50.1% of the issued shares in the Company may accept a bona fide offer (the "Offer") from an unaffiliated third party (the "Proposed Purchaser") for the purchase of their shares on arms length terms, so long as the acceptance is conditional upon the terms of this Article 20 being complied with in all respects and that condition is not waived.

20.2 Completion of Sale

The Seller may complete a sale pursuant to the Offer if:

- (a) it despatches a notice within 30 days of accepting the Offer notifying the other Shareholders of the main terms of the Offer and that it has contracted to accept the Offer as permitted by this Article, such notice to constitute a warranty and representation by the Seller to the other Shareholders that the Offer and the Seller's acceptance of it is bona fide in all respects to the best of the Seller's knowledge, information and belief;
- (b) the Proposed Purchaser has made a binding written offer to the other Shareholders (the "Remaining Shareholders") at the same price per share and on terms that are not worse than those in the Offer that is kept open for at least 30 days from delivery of the notice sent by the Seller to the Remaining Shareholders, and payment of the purchase consideration on completion is guaranteed by a reputable bank if this is requested by any of the Remaining Shareholders; and
- (c) the period mentioned in Article 20.2(b) has elapsed or all other Remaining Shareholders have accepted or completed the offer made to them.

21 VARIATION OF CLASS RIGHTS

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) only be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class, but not otherwise.

22 PROCEEDINGS AT GENERAL MEETINGS

- 22.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon.
- 22.2 The quorum for the transaction at any general meeting of the Company shall be a duly authorised representative of KHL (or in absence of such representative, any proxy nominated by KHL) plus the Founder (or in the absence of the Founder, any proxy nominated by the Founder) except as provided for in Article 23.3. Each Shareholder shall use reasonable endeavours to ensure they attend and remain in attendance throughout each general meeting for which proper notice shall have been given.
- 22.3 If within half an hour from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the Shareholders present may decide and if at the adjourned meeting a quorum is not present within an hour from the time appointed for the meeting, then the meeting shall proceed and be regarded as properly quorate where a duly authorised representative of KHL (or in the absence of such representative, any proxy nominated by KHL) is present.
- 22.4 A general meeting of the Company may consist of a conference between Shareholders some or all of whom are in different places provided that each Shareholder who participates is able to hear each of the other participating Shareholders addressing the meeting and to address all of the others participating simultaneously, whether directly by conference telephone or by any form of communications equipment or by a combination of them. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number of Shareholders required to form a quorum.
- 22.5 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded at any general meeting by any Shareholder present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a Shareholder entitled to vote.

- 22.6 A Director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of Shares in the capital of the Company.
- 22.7 An instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board must be delivered to the registered office of the Company:
- (a) in the case of a general meeting or adjourned meeting, not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting; and
 - (b) in the case of a proxy notice given in relation to a poll, before the end of the meeting at which the poll was demanded.
- 22.8 In calculating when a proxy notice is to be delivered, no account is to be taken of any part of a day that is not a Business Day. A notice revoking the appointment of a proxy must be given in accordance with the Act.
- 22.9 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose.

23 SHARE CERTIFICATES

Share certificates need not be sealed with the seal and the Company may execute any Share certificate, warrant or other document creating or evidencing any security allotted by the Company or any right or option to subscribe granted by the Company under the hand of two Directors, one Director and the Company Secretary or one Director in the presence of a witness.

24 LIABILITY OF MEMBERS

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company held by them.

25 PURCHASE OF OWN SHARES

Subject to the Act, the Company may purchase its own Shares, including, without limitation, to the extent permitted by section 692(1ZA) of the Act.

26 DEFINITIONS AND INTERPRETATION

26.1 In these Articles, unless the context otherwise requires:

“Acceptance Notice” shall have the meaning ascribed to it in Article 18.3;

“Act” means the Companies Act 2006 as amended, re-enacted or replaced from time to time whether before or after the adoption of these Articles;

“acting in concert” has the meaning ascribed to it by the City Code on Takeovers and Mergers as amended;

“Allocation Notice” shall have the meaning ascribed to it in Article 17.6;

“Applicant” shall have the meaning ascribed to it in Article 17.6;

“Bad Leaver” means the Founder ceasing to be an employee of the Company, or any of its Subsidiaries or of a DEAG Group Company as a consequence of:

- (a) his resignation as an employee of the relevant DEAG Group Company (except in circumstances where his resignation is agreed in writing in advance with the relevant DEAG Group Company and approved by KHL, or circumstances that are determined by an employment tribunal or court to amount to constructive

dismissal, or death, or permanent sickness or incapacity (whether physical or mental) such that he is unable to continue in the role he was performing immediately prior to the sickness or incapacity arising); or

(b) his dismissal as an employee in accordance with his Employment Agreement;

"Board" means the board of Directors for the time being or the Directors present at a duly convened meeting of the Directors at which a quorum is present;

"Business Day" means a day on which clearing banks are open for ordinary banking business in Edinburgh excluding Saturdays, Sundays and any day which is a public holiday in Scotland;

"Change of Control" means the acquisition of a Controlling Interest in the Company by any person who is not a Shareholder on the date of adoption of these Articles (or a Permitted Transferee of a person who is such a Shareholder) whether alone or together with any person acting in concert with or connected with such person;

"Company Secretary" means the secretary of the Company for the time being;

"connected with" has the meaning ascribed to that expression in section 1122 of the Corporation Tax Act 2010 (save that there shall be deemed to be control for that purpose whenever either section 450 to 451 or section 1124 of that act would so require);

"Continuing Shareholders" has the meaning ascribed to it in Article 17.4;

"Consideration" shall have the meaning ascribed to it in Article 17.6;

"Controlling Interest" means in relation to an undertaking an interest in over 50% of the share capital of that entity or control of more than 50% of the voting rights in that entity;

"Deed of Adherence" means a deed of adherence to any current and binding agreement which may be made between the Shareholders from time to time;

"Directors" means the directors of the Company for the time being (and "Director" shall mean any of them);

"EBIT" means for any specified period means the consolidated operating profit of the Company, Regular Presents Limited and Castle Concerts Limited before taxation excluding:

(a) any exceptional one off non-recurring or extraordinary items; and

(b) any gain or loss arising from an upward or downward revaluation of any asset of the Company,

in each case to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Company before taxation for that period;

"Employment Agreement" means the employment agreement between the Company and the Founder;

"Encumbrance" means any mortgage, charge, pledge, assignment, title retention, lien, hypothecation or other form of security, trust, right or set off or other third party right, claim or encumbrance including any right of option or pre-emption howsoever created or arising or any other arrangement having similar effect (or an agreement or commitment to create any of them);

"Exclusion Calculation" means any exceptional non-recurring balance sheet items or exceptional financial years that are mutually agreed to be excluded from the EBIT or as determined by the Expert in accordance with Article 18.9 (as the case may be);

"Expert" means an independent firm of chartered accountants chosen by agreement between the Shareholders, or in the event that they are unable to agree within 5 Business Days, a firm of chartered accountants nominated by the President for the time being of The Institute of Chartered Accountants of Scotland (acting as experts and not arbitrators);

"Fair Value" means subject to Article 18.9 an amount equal to:

$$(A \times 7) \times \left(\frac{B}{C}\right)$$

where:

- A = the average EBIT of the Company over the preceding five financial years minus any Exclusion Calculation (if applicable);
- B = the number of Shares held by the Founder;
and
- C = the total number of Shares;

"First Offer Period" shall have the meaning ascribed to it in Article 17.4;

"Founder" means Mark Joseph Mackie;

"Founder Director" means a Director appointed by the Founder;

"Good Leaver" means the Founder who at the relevant time ceases to be employed by the Company or any of its Subsidiaries or a DEAG Group Company in circumstances where (i) he is not a Bad Leaver or (ii) if the Initial Term (as defined in his Employment Agreement) has lapsed without renewal;

"Group" means the Company and all its subsidiaries and subsidiary undertakings for the time being and "member of the Group" shall be construed accordingly;

"Incapable" has the meaning given to the term in the Adults with Incapacity (Scotland) Act 2000;

"KHL" means Kilimanjaro Holdings Limited a company incorporated and registered in England and Wales with company number 07956480 whose registered office is at 100 Gray's Inn Road, Fourth Floor, London, WC1X 8AL, England;

"KHL Director" means a Director nominated and appointed to be a Director of the Company by KHL;

"Member of the same Group" means as regards any company, a company which is from time to time a subsidiary undertaking or a parent undertaking of that company or a subsidiary undertaking of any parent undertaking of that company;

"Model Articles" means the model articles set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 as in force on the date when these Articles become binding on the Company;

"Obligatory Transferor" shall have the meaning ascribed to it in Article 18.3;

"Obligatory Transfer Event" shall have the meaning ascribed to it in Article 18.2;

"Obligatory Transfer Event Offer" shall have the meaning ascribed to it in Article 18.3;

"Permitted Transfer" means any transfer of Shares permitted under Article 16;

"Permitted Transferee" means in relation to a Shareholder which is an undertaking any Member of the same Group as such Shareholder;

"Proposed Transferee" shall have the meaning ascribed to it in Article 17.1;

"Relevant Shares" shall have the meaning ascribed to it in Article 18.3;

"Relevant Company" has the meaning ascribed to it in Article 4.2;

"Relevant Person" means the Founder;

"Sale Shares" shall have the meaning ascribed to it in Article 17.1;

"Second Offer Period" shall have the meaning ascribed to it in Article 17.5;

"Seller" has the meaning ascribed to it in Article 17.1;

"Share" or "Shares" means any share or shares of any class in the capital of the Company;

"Shareholder" or "Shareholders" means any registered holder or holders of Shares for the time being;

"Surplus Shares" shall have the meaning ascribed to it in Article 17.4; and

"Transfer Notice" has the meaning ascribed to it in Article 17.1.

- 26.2 The Articles contained in the Model Articles shall, except where they are excluded or modified by these Articles, apply to the Company. Model Articles 2, 11(2), 13, 14, 26(5), 41(1), 42, 52 and 53 shall not apply to the Company but the Articles hereinafter contained and the remaining Model Articles, subject to any modifications hereinafter expressed, shall constitute the articles of association of the Company.
- 26.3 In these Articles, words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships.
- 26.4 In these Articles, a reference to:
- (a) a "parent undertaking" or a "subsidiary undertaking" is to be construed in accordance with sections 1161 and 1162 respectively of the Act and a reference to a "subsidiary" or "holding company" is to be construed in accordance with section 1159 of the Act. In the case of a limited liability partnership, references to voting rights in section 1159 of the Act shall mean the members' rights to vote on all or substantially all matters which are decided by a vote of the members; and
 - (b) a "company" includes any company or body corporate irrespective of the jurisdiction or law under which it was incorporated or exists.
- 26.5 Save as expressly stated otherwise, words and expressions defined in or for the purposes of the Act or the Model Articles shall, unless the context otherwise requires, have the same meaning in these Articles.
- 26.6 Any reference in these Articles to the transfer of any Share means the transfer of either or both of the legal and beneficial ownership in such Share and/or the grant of an option to acquire either of the same, and any grant of a legal or equitable mortgage or charge over any Share.
- 26.7 The headings in these Articles shall not affect their construction or interpretation.