

**The Companies Acts 1985 to 1989  
Private Company Limited by shares**

**MEMORANDUM OF ASSOCIATION**

**OF**

**GDI GAME DOMAIN INTERNATIONAL PLC**

**TUESDAY**



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29/01/2008  
COMPANIES HOUSE

- 1 The Company's name is "GDI GAME DOMAIN INTERNATIONAL PLC"
- 2 The Company is to be a public company
- 3 The Company's registered office is to be situated in England and Wales
- 4 The Company's objects are

(a) To carry on business as a General Commercial Company and, in conjunction with each other or as separate and distinct undertakings, all or any of the following businesses manufacturers, importers, exporters, agents, dealers (both wholesale and retail) in all articles of commercial, manufacturing, personal and household use and consumption and in all kinds of raw materials, warehousemen, storage contractors, shipping and forwarding agents, dealers in property and estates, property developers, property managers, estate agents, insurance agents and brokers, financiers, financial agents and to act as nominee, trustee, agent, factor, broker, executor, administrator, receiver for or otherwise on behalf of Companies, Corporations, firms or persons, builders, scaffolders, contractors, heating and ventilation engineers and contractors, refrigeration engineers, specialists and contractors, decorators, painters, bricklayers, specialist carpenters, shuttering manufacturers and erectors, joiners, public works contractors, plasterers, plumbers, electricians, shop front fitters, builders' and decorators' merchants, civil, mechanical, constructional, agricultural, consulting, heating, electrical and general engineers, welders, sheet metal workers, blacksmiths, motor engineers, garage proprietors, car hire service, taxi proprietors and operators, travel agents, tour operators, proprietors of vehicles and vessels of all kinds, transport and haulage contractors, general engineers, tool makers, booking agents for, and managers of, theatres, cinemas and all other kinds of entertainments and sporting events, turf and sporting accountants in all their branches, proprietors of shops, cafes, clubs, hotels and restaurants, catering contractors, dealers in foods and provisions of all kinds, wine and spirit merchants, licensed victuallers, butchers, grocers, greengrocers, fishmongers and poultry merchants, farmers, florists, horticulturists, bakers, confectioners, tobacconists, ironmongers, hardware merchants, dealers in plastics of all kinds, antique dealers, furniture manufacturers and dealers, leather and fancy goods dealers, jewellers, radio television and electrical retailers, dealers and repairers, toys, games and sports equipment dealers, photographers and dealers in all kinds of photographic material and equipment, film producers and distributors, textile merchants, tailors, fashion designers, ladies and gentlemen's outfitters, boot and shoe retailers, perfumery and cosmetic dealers, hairdressers, manufacturing and retail chemists, printers, publishers, stationers, advertising

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and publicity agents, public relations specialists, consultants, business transfer agents and employment agents, computer operators' programmers and dealers, market research specialists, business advisors, mail order specialists, dyers and cleaners, dry cleaners, proprietors of launderettes, excavation and demolition contractors, plant hirers, scrap iron and waste merchants and to carry on all or any of the said businesses, and provide services in connection therewith, either together as one business or as separate and distinct businesses, in any part of the world

(b) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render more profitable any of the property or rights of the Company

(c) To apply for, purchase, register or otherwise acquire and protect and renew, whether in the United Kingdom or elsewhere in any part of the world any patents, patent rights, brevets d'invention, designs, concessions, secret processes, trade marks, licences, and the like and to alter, disclaim, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights

(d) To purchase, take on lease or in exchange, hire or by any other means acquire and take options over any freehold, leasehold or any other real or personal property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business, or may enhance the value of any other property of the Company

(e) To acquire and undertake the whole or any part of the business, goodwill, assets, property, and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company

(f) To acquire an interest in, amalgamate with, or enter into partnership or into any arrangement with sharing profits, co-operation, joint venture, union of interest or reciprocal concession with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which is capable of being conducted so as directly or indirectly to benefit the Company

(g) To enter into any arrangements with any governments or authorities supreme, local, municipal, or otherwise, or any company or person that may seem conducive to the attainment of the Company's objects, or any of them, and to obtain from any such government or authority any rights, charters, licences, privileges or concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply therewith

(h) To draw, make, accept, endorse, discount, execute, negotiate and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments

(i) To invest and deal with the moneys of the Company not immediately required in any manner, and to hold sell or otherwise deal with any investments made

(j) To subscribe for, take, or otherwise acquire, and hold shares, stock, debentures and other negotiable or transferable instruments

(k) To establish or promote any other company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company, or for any other purpose which may appear likely to assist or benefit the Company, or for any other value of any property or business of the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such company

(l) To advance and lend money or give credit, with or without security to customers and others, to enter into guarantees, contracts or indemnity and suretyships of all kinds, to receive money on deposit or loans and to become security for any persons, firms or companies

(m) To raise or borrow money in such a manner as the Company shall think fit, and to secure the repayment of any such money raised, borrowed or owing by mortgage, lien, charge or other security upon all or any of the property or assets of the Company (whether present or future) including its uncalled capital, and also by a similar mortgage, lien, charge or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it

(n) To pay out of the funds of the Company all or any expenses which the Company may lawfully pay with respect to the promotion, formation and incorporation of the Company or to contract with any person, firm or company to pay the same and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares, debentures or other securities of the Company

(o) To remunerate any person, firm or company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise

(p) To subscribe to or support any charitable object or any institution and to give pensions, bonuses, gratuities or assistance to any person who is serving or has served the Company, whether as a director, employee or otherwise, and his family and dependents, to make payments towards insurance, and to establish, form and contribute to provident, superannuation and other similar funds and trusts, associations, clubs, schools and other institutions for the benefit of any such persons aforesaid

(q) To distribute among the members of the Company any property of the Company of any kind or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital of the Company be made except with the sanction for the time being required by law

(r) To procure the Company to be registered or recognised in any part of the world

(s) To act as agents or brokers and as trustees for any person, firm, or company, and to undertake and perform subcontracts and also to act in any of the businesses of the Company in any part of the world through or by means of agents, subcontractors or others

(t) To improve, develop, manage, grant rights or privileges in respect of, construct, repair, let on lease or otherwise, exchange, mortgage, charge, dispose of, sell, grant licences in respect of, turn to account, grant options in respect of, or otherwise deal with all or any part

of the property and rights of the Company both real and personal

(u) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any company purchasing the same

(v) To do all or any of the matters or things aforesaid in any part of the world and to do such matters or things either as principals, agents, contractors or otherwise and by or through agents, contractors, or otherwise and either alone or in conjunction with others

(w) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them

And it is hereby declared that

(i) The objects specified in each sub-clause shall be regarded as independent objects, and they shall not be limited or restricted, except where otherwise expressed in such sub-clauses, by reference to or inference from the terms of any other sub-clause or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said sub-clauses defined the objects of a separate and distinct company

(ii) The word "Company", except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporated, and whether incorporated, registered, resident or domiciled in the United Kingdom or elsewhere

5 The liability of the members is limited

6 The Company's share capital is £10,000,000 divided into 1,000,000,000 shares of £0 01 each of which 800,000,000 are classified as "A" ordinary shares of £0 01 each and 200,000,000 are classified as "B" ordinary shares of £0 01 each



Company No. 05680930

Companies Act 1985

PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

-of-

GDI GAME DOMAIN INTERNATIONAL PLC

(adopted by Written Resolution on 15 January 2008)

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**1 Preliminary**

- 1 1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 SI 2000/3373 ("**Table A**") shall apply to the Company and shall be the Articles of Association of the Company save in so far as they are excluded or varied by these Articles

**1 2 In these Articles**

"the Act"	means the Companies Act 1985 (as amended),
"Accepting Shareholders"	shall have the meaning given to that phrase in Article 8 1,
"Article"	means an Article contained in these Articles,
"A Director"	means a Director appointed by an A Shareholder pursuant to Article 15 2,
"A Shareholder"	means the holder for the time being of any A Shares,
"A Shares"	means A Ordinary Shares of nominal value of £0 01 each in the capital of the Company having the rights set out in these Articles,
"B Director"	means a Director appointed by an B Shareholder pursuant to Article 15 3,
"Board"	means the board of Directors of the Company from time to time,

<b>"B Shareholder"</b>	means the holder for the time being of any B Shares,
<b>"B Shares"</b>	means B Ordinary Shares of nominal value of £0.01 each in the capital of the Company having the rights set out in these Articles;
<b>"Business Day"</b>	means any day other than a Saturday or Sunday on which clearing banks are open for business in the City of London,
<b>"Defaulting Shareholder"</b>	shall have the meaning given to that phrase in Article 10,
<b>"Directors"</b>	means the directors for the time being of the Company,
<b>"Drag Along Notice"</b>	shall have the meaning given to that phrase in Article 8.2,
<b>"Drag Along Offeror"</b>	shall have the meaning given to that phrase in Article 8.1,
<b>"Employee Share Option Scheme"</b>	means any employee share option plan, agreement, trust or scheme approved from time to time by the Board,
<b>"Encumbrance"</b>	means any claim, charge, mortgage, pledge, trust, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or any other security of any kind,
<b>"Majority Holding"</b>	shall have the meaning given to that phrase in Article 9.1,
<b>"members"</b>	means all those persons registered as the holders of any Share in the Company's register of members from time to time and the term " <b>member</b> " shall be construed accordingly,
<b>"Non-Voting Director"</b>	means a Director appointed by the Board in accordance with Article 15.4,
<b>"Offer Price"</b>	shall have the meaning given to that phrase in Article 8.2,
<b>"Original Member"</b>	shall have the meaning given to that phrase in Article 12.7,
<b>"Other Shareholders"</b>	shall have the meaning given to that phrase in Article 9.2,
<b>"Permitted Transfer"</b>	means a transfer of Shares permitted by Article 6,

<b>"Permitted Transferee"</b>	means a person to whom Shares have been or may be transferred pursuant to a Permitted Transfer,
<b>"Prescribed Period"</b>	shall have the meaning given to that phrase in Article 7 2,
<b>"Prescribed Price"</b>	shall have the meaning given to that phrase in Article 7 2,
<b>"Proposed Buyer"</b>	shall have the meaning given to that phrase in Article 9 2,
<b>"Proposed Sale Notice"</b>	shall have the meaning given to that phrase in Article 9 2,
<b>"Proposed Sellers"</b>	shall have the meaning given to that phrase in Article 9 1,
<b>"Proposing Transferor"</b>	shall have the meaning given to that phrase in Article 7 2,
<b>"Purchaser"</b>	shall have the meaning given to that phrase in Article 7 5,
<b>"Purchase Notice"</b>	shall have the meaning given to that phrase in Article 7 5,
<b>"Regulation"</b>	means a regulation in Table A,
<b>"Relevant Person"</b>	shall have the meaning given to that phrase in Article 12 2,
<b>"Sale Shares"</b>	shall have the meaning given to that phrase in Article 7 2,
<b>"Section"</b>	means a section of the Act,
<b>"Share"</b>	means any share in the capital of the Company of whatever class from time to time,
<b>"Shareholder"</b>	means the holder for the time being of any Shares,
<b>"Subsequent Member"</b>	shall have the meaning given to that phrase in Article 12 7,
<b>"Tag-Along Notice"</b>	shall have the meaning given to that phrase in Article 9 3,
<b>"Tag-along Sale Price"</b>	shall have the meaning given to that phrase in Article 9 2,
<b>"Transferee"</b>	shall have the meaning given to that phrase in Article 8,



<b>"Transfer Notice"</b>	shall have the meaning given to that phrase in Article 7 2,
<b>"Valuer"</b>	shall have the meaning given to that phrase in Article 12 2,
<b>"Virgin"</b>	Virgin Com Limited,
<b>"Virgin Group"</b>	means Virgin and any entity in any jurisdiction which is a subsidiary of the company which is Virgin's ultimate holding company,
<b>"Wikalo"</b>	means Wikalo S A, and
<b>"Wikalo Group"</b>	means Uwe Prochner or any wholly owned subsidiary of Wikalo

1 3 In Regulation 1 "execution" includes both signature under hand and execution under seal

1 4 Regulations 24 (transfer of shares), 30 (transmission of shares on death or bankruptcy), 40 (quorum at general meetings), 41 (adjournment of general meetings where quorum is not present), 50 (chairman's casting vote), 64 (number of directors), 73 to 80 (appointment and retirement of directors), 89 (quorum at directors board meetings) and 93 to 98 (proceedings of directors) shall not apply to the Company

## 2 Shares

2 1 The Company's authorised share capital is £10,000,000 divided into 800,000,000 A Ordinary Shares of £0 01 each and 200,000,000 B Ordinary Shares of £0 01 each

2 2 The A Shares and B Shares are different classes of shares and shall entitle the holders of such Shares to the respective rights and privileges and subject them to the respective restrictions and provisions contained in these Articles, but save as otherwise provided in these Articles the A Shares and B Shares shall rank *pari passu* in all respects

2 3 Subject to the provisions of the Act, the Directors have general and unconditional authority to offer, allot (with or without conferring rights of renunciation), grant options over, or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased share capital) to such persons, at such times and on such terms and conditions as the directors may decide but no share may be issued at a discount

2 4 The Directors have general and unconditional authority, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities for a period of five years from the date of incorporation of the Company but this authority may be renewed, varied or revoked from time to time by the Company in general meeting. The maximum amount of relevant securities which may be allotted under this authority shall be the nominal amount of the authorised but unissued share capital of the Company at the date of adoption of these Articles. The Directors may before this authority expires make an offer or agreement which would or might require relevant securities of the Company to be allotted after it expires and may allot relevant securities in pursuance of that offer or agreement

- 2 5 The pre-emption provisions of section 89(1) of the Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the Act shall not apply to the allotment by the Company of any equity security

**3 Lien**

- 3 1 The lien conferred by Regulation 8 shall attach also to fully paid shares and to every share registered in the name of a person indebted or under liability to the Company (whether the sole registered holder of a share or one of two or more joint holders) and shall extend to all amounts owing by him or his estate to the Company (whether or not presently payable)

- 3 2 The Company shall have a first and paramount lien on all Shares (whether fully paid or not) registered in the name of any person who is indebted to, or is in any way liable to, the Company for that indebtedness or liability. This lien will apply even if that person is a joint owner of shares and it will also bind that person's estate or trustee in bankruptcy

**4 Forfeiting Shares**

This Article 4 will apply if the Directors make a call in respect of a member's Shares and the member does not pay. If the Company has to pay any costs or expenses in connection with the member's failure to pay the call, the Directors may decide that the member will also be liable for those costs or expenses. Regulations 18 and 21 shall be altered accordingly.

**5 Transferring Shares**

The Directors shall register the transfer of any Share if the transfer is made in accordance with the provisions of Articles 6, 7, 8, 9, 10, 11 or 12.

**6 Permitted Transfers of Shares**

- 6 1 Any Shares may at any time be transferred in the following manner

- (a) any Shareholder may at any time transfer any shares pursuant to an Employee Share Option Scheme provided that such transfer is approved by the Board,
- (b) Wikalo may at any time transfer any shares to any member of the Wikalo Group,
- (c) Virgin may at any time transfer any shares to any member of the Virgin Group,
- (d) to comply with Article 12 7, or
- (e) by a transfer approved by a resolution of the Board

- 6 2 Wikalo may at any time transfer up to 75,000,000 A Shares held by it to third parties as part of the placing being conducted by Wikalo or an affiliate or subsidiary of Wikalo

7 **Pre Emption Rights**

- 7.1 Save for any Permitted Transfer the right of any of the members to transfer their Shares or any interest in their Shares shall be subject to the restrictions and provisions set out in the remainder of this Article 7. References in this Article 7 to transferring Shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of Shares.
- 7.2 Save as otherwise provided in Article 7.1, any person (each a **"Proposing Transferor"**) proposing to transfer any Shares (**"Sale Shares"**) shall be required before effecting, or purporting to effect, the transfer to give a notice (**"Transfer Notice"**) in writing to the Company that he desires to transfer the Sale Shares and such Transfer Notice shall
- (a) state the identity of the person (if known) to whom the Proposing Transferor desires to transfer the beneficial interest in the Sale Shares,
  - (b) constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached to such Sale Shares),
  - (c) specify the price per Share which the Transferring Shareholder is willing to accept for the Sale Shares (**"Prescribed Price"**),
  - (d) state the period during which the offer to acquire the Sale Shares is open, such period not to be less than 60 days from the date the Transfer Notice is served (**"Prescribed Period"**), and
  - (e) include such other details of the proposed transfer as the Directors may reasonably require.
- 7.3 Once given, a Transfer Notice shall not be revocable except with the written consent of the Board.
- 7.4 All Sale Shares shall by notice in writing be offered by the Company for purchase at the Prescribed Price within 7 days of receipt of the relevant Transfer Notice to the Shareholders other than the Proposing Transferor pro rata as nearly as may be without involving fractions to the number of Shares registered in the names of such members. The offer shall specify the total number of Sale Shares to be sold and shall invite each such member to notify the Directors of the maximum number of Sale Shares which they would wish to purchase if available. Such offers shall stipulate a time limit not less than 14 days nor more than 28 days within which it must be accepted or in default will lapse.
- 7.5 If the Company shall within the Prescribed Period find Shareholders (each such person being referred to as a **"Purchaser"**) willing to purchase the Sale Shares or any of them and gives notice in writing (the **"Purchase Notice"**) of such fact to the Proposing Transferor the Proposing Transferor shall be bound, upon payment to him of the Prescribed Price, to transfer such shares to the respective Purchaser(s) provided that, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer some or only of the Sale Shares, this provision shall not apply unless the Company shall have found Purchasers for all of the Sale Shares. Every notice given by the Company under this Article 7.5 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by them and the purchase shall be completed at the registered office for the time being of the Company or at such other place within the United Kingdom as the Purchaser(s) shall

reasonably request as soon as reasonably practicable and in any event within 28 days of the date of the Purchase Notice

- 7 6 If the Company shall not within the Prescribed Period find Purchasers willing to purchase any or all of the Sale Shares at the Prescribed Price and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no reasonable prospect of finding Purchasers, the Proposing Transferor at any time during a period of 6 months after the end of the Prescribed Period shall be at liberty subject to the provisions of these Articles, to transfer those Sale Shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no reasonable prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) provided that
- (a) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares the Proposing Transferor shall only be entitled to transfer all of the Sale Shares under this Article, and
  - (b) any of the Directors may require to be satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the third party purchaser and if not so satisfied the Company may refuse to register the instrument of transfer

## 8 Drag-Along Rights

- 8 1 If the holders of the entire issued share capital in the Company receive a bona fide arm's length offer in writing by or on behalf of any person (the "**Drag Along Offeror**") to acquire all of the Company's equity share capital and the holders of not less than 85% of the equity share capital then in issue (the "**Accepting Shareholders**") wish to accept such offer, then the provisions of this Article 8 shall apply
- 8 2 The Accepting Shareholders shall give written notice (the "**Drag Along Notice**") to the remaining holders of the equity share capital (the "**Remaining Shareholders**") of their wish to accept the offer and the price per share payable by the Drag Along Offeror (the "**Offer Price**") The Remaining Shareholders shall thereupon become bound to accept the offer and to transfer their shares to the Drag Along Offeror (or his nominee) on the date specified by the Accepting Shareholders at the Offer Price
- 8 3 If any Remaining Shareholder shall not, within 10 days of being required to do so, execute and deliver transfers in respect of the shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Remaining Shareholder's behalf and, against receipt by the Company (on trust for such Remaining Shareholder) of the consideration payable for the relevant shares, deliver such transfer(s) and certificate(s) or indemnities to the Drag Along Offeror (or his nominee) and register such Drag Along Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person

**9 Tag-Along Rights**

- 9 1 Subject to Article 6 but otherwise notwithstanding any other provisions of these Articles, if at any time one or more of the Company's shareholders (the "**Proposed Sellers**") propose to sell, in one or a series of related transactions, such number of shares as entitle the holders to cast more than 85% of the votes of which, on a poll, shareholders are entitled to cast at any general meeting of the Company (the "**Majority Holding**") to any person the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this Article 9
- 9 2 The Proposed Sellers shall give written notice (the "**Proposed Sale Notice**") to the other holders of the equity share capital in the Company (the "**Other Shareholders**") of such intended sale at least 14 days prior to the date of it. The Proposed Sale Notice shall set out the identity of the proposed buyer (the "**Proposed Buyer**"), the proposed date of sale, the number of shares proposed to be purchased by the Proposed Buyer (or the maximum number of shares which he is prepared to purchase), the proposed purchase price per share (the "**Tag-along Sale Price**") and other terms and conditions of payment
- 9 3 Any Other Shareholder shall be entitled, by written notice (the "**Tag-along Notice**") given to the Proposed Sellers within 7 days of receipt of the Proposed Sale Notice, to require the Proposed Sellers to refrain from selling the Majority Holding unless the Proposed Sellers procure that the Proposed Buyer purchases all of the shares of such Other Shareholder or (if the Proposed Buyer only wishes to buy the number of shares specified in the Proposed Sale Notice) the Other Shareholder's pro-rata portion of the maximum amount of shares the Proposed Buyer is prepared to purchase for a consideration equal to the Tag-along Sale Price and otherwise on the same terms and conditions as those set out in the Proposed Sale Notice
- 9 4 If any Other Shareholder(s) serve(s) a Tag-along Notice, then the Proposed Sellers shall not sell their shares to the Proposed Buyer unless they procure that the Proposed Buyer simultaneously acquires those shares specified in the Tag-along Notice(s) for a consideration equal to the Tag-along Sale Price per share and on the same terms
- 9 5 If any Other Shareholder fails to serve a Tag-along Notice, then he shall be deemed to have declined the Tag-along Rights
- 9 6 If any Other Shareholder is not given the rights accorded him by the provisions of these Articles or if the intended sale of the Majority Holding by the Proposed Sellers pursuant to these Articles is not a bona fide sale on arm's length terms, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect

**10 Default in Complying with Articles 7, 8 & 9**

If any Proposing Transferor (a "**Defaulting Shareholder**") after having become bound to transfer any Shares to any person (each a "**Transferee**") shall fail, refuse or otherwise make default in transferring such Shares in accordance with the provisions of Articles 7, 8 or 9 then the Board may authorise any one Director or the company secretary of the Company to execute on behalf of and as attorney for the Defaulting Shareholder any necessary transfers or other documents needed to effect the relevant transfer. Such Director or the company secretary shall then be deemed to be the agent and attorney of such Defaulting Shareholder for such purpose and the Company may receive the purchase money from the Transferee and shall upon

production of the share transfer and any other necessary documents cause the name of the Transferee to be entered in the register as the holder of the relevant Shares and shall hold the purchase money in trust for the Defaulting Shareholder. The receipt by the Company of the purchase money shall be a good discharge to the Transferee who shall not be bound to see the application thereof and after the name of the Transferee has been entered in the register in exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay any such purchase monies held on trust by the Company pursuant to this Article to any Defaulting Shareholder until such Defaulting Shareholder shall have delivered his share certificate(s) in respect of the relevant Shares or an indemnity in a form acceptable to the Company in respect of any missing certificates and any necessary transfers to the Company.

#### 11 Disposal or Charging of Shares

No Shareholder shall create or permit or agree to create or permit to subsist any Encumbrance over or dispose of any legal or beneficial interest in all or any of the Shares held by them by way of security unless they do so with the prior written approval of the Board or shareholders together holding a majority of both the issued A Shares and the issued B Shares.

#### 12 Further Provisions Relating to Transfers of Shares

- 12.1 (a) A person entitled to a Share in consequence of the bankruptcy or liquidation of a member shall be bound at any time if and when called upon by the Directors so to do to give a Transfer Notice of all the shares then registered in the name of the member who is bankrupt or in liquidation.
- (b) A person entitled to a Share in consequence of the death of a member or the personal representatives of a deceased member as the case may be must before the expiration of six months from the date of such death give a Transfer Notice in respect of all the shares registered in the name of the deceased member at the date of his death.
- (c) In the event that any Security over Shares or any interest in Shares created pursuant to Article 11 is enforced, the member who created the relevant Security (or, if applicable the person who holds Shares by way of a Security) shall be bound to give a Transfer Notice in respect of the Shares that are the subject of the Security.
- 12.2 Any Transfer Notice given pursuant to Article 12.1 above or Article 12.7 below need not specify the name of any proposed purchaser of the Shares and the Prescribed Price to be included in any such Transfer Notice shall be such price as may be agreed between the Directors and the relevant person being called upon to give the Transfer Notice (the "**Relevant Person**") save that if no such agreement is reached within 21 days of the Directors calling upon the Relevant Person then the price shall be the fair value of the relevant Shares, as determined by an independent firm of Chartered Accountants with relevant experience and knowledge (the "**Valuer**"), to be appointed by the Directors. In calculating this amount the Valuer must value the relevant Shares as on an arm's length sale between a willing seller and a willing buyer, and make the following assumptions:
- (a) if the Company is then carrying on business as a going concern, that it will continue to do so,

- (b) that the Shares are capable of being transferred without restriction, and
- (c) that the value of the Shares is a rateable proportion of the total value of all the issued Shares of the Company

The Relevant Person and the Directors shall each use all reasonable endeavours to procure that any Valuer serves written notice on each of them of the fair value of the relevant Shares as soon as reasonably practicable. The costs of the Valuer pursuant to this Article 12.2 shall be borne by the Company, unless the Transfer Notice has been given pursuant to Article 12.7 in which case the costs of the Valuer shall be borne by the Relevant Person.

- 12.3 For the purpose of ensuring that a transfer of Shares is duly authorised under these Articles, or that no circumstances have arisen whereby a Transfer Notice is required to be given, any Director may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or any person whom they have reasonable grounds for believing to have information concerning dealings with or interests in shares of the Company to furnish to the Company such information and evidence as the Director may think fit regarding any matter which he may deem relevant to such purpose and may further require such information and evidence to be in the form of a statutory declaration. Failing such information or evidence being furnished to the satisfaction of the Director within a reasonable time after request the Board shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned.
- 12.4 In any case where under the provisions of these Articles the Directors have made a request for a Transfer Notice to be given within a specified period of not less than one month such Transfer Notice shall be deemed to have been given at the expiration of such period and the provisions of this Article shall take effect accordingly.
- 12.5 Whenever an A Share or a B Share is transferred to a member who already holds Shares of either of those classes, the Share transferred, if not of the same class as those already held by the transferee, shall upon registration of the transfer by the Company be automatically converted into a Share of the same class as those already held by the transferee.
- 12.6 The instrument of transfer of any Share shall be executed in such form and with such formalities as may from time to time be authorised or required by law and the transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of members of the Company.
- 12.7 A member who has received shares as a Permitted Transferee (the "**Subsequent Member**") of another member (the "**Original Member**") but who, for whatever reason, ceases to be a Permitted Transferee of such Original Member shall be bound within 14 days of being required to do so by the Directors to transfer such shares back to the Original Member or to someone who would be a Permitted Transferee of such Original Member. If the Subsequent Member fails to transfer such shares within the 14 day period, the Subsequent Member shall be bound, if and when called upon



by the Directors so to do, to give a Transfer Notice in respect of such shares to the Shareholders of the Company and the provisions of Article 12 2 shall apply

### **13 General Meetings**

- 13 1 No business shall be transacted at a general meeting of the Company unless a quorum is present. The quorum shall be two Shareholders, at least one of which must be an A Shareholder and one a B Shareholder. If a quorum is not present within half an hour of the time appointed for the meeting or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week, or if that is not a Business Day to the next following Business Day, at the same time and place or such other time and place as the directors determine. If, at the adjourned meeting, a quorum is not present within half an hour of the time appointed for the adjourned meeting then the meeting shall be re-adjourned again to the same day in the next week, or if that is not a Business Day to the next following Business Day, at the same time and place or such other time and place as the directors determine.
- 13 2 A general meeting may be held by means of video- conference, telephone or similar communications equipment. However, everybody who participates in the meeting must be able to hear each other. Any person participating in a meeting held in this manner shall be deemed to be present in person at the meeting. They will therefore count towards the quorum and be entitled to vote in any resolutions proposed to be passed at the meeting.
- 13 3 By majority decision amongst themselves the members may appoint the chairman for all general meetings of the Company. Such chairman shall not be entitled to a casting vote at any meeting and accordingly in the case of an equality of votes whether on a show of hands or on a poll the resolution in respect of which such show of hands or poll took place shall be deemed not to have been passed.
- 13 4 At a general meeting, votes may be given on a show of hands or on a poll. In either case, votes may be given either personally or by proxy or by a duly authorised representative of a corporation.

### **14 Notice of General Meetings**

- 14 1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed.
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote at that meeting, and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify that the meeting is an annual general meeting. Regulation 38 shall be amended accordingly.

- 14 2 A notice which calls a general meeting does not need to specify the general nature of the business to be transacted, unless it is proposed to pass a special resolution at such meeting. All business transacted at an extraordinary general meeting or at an annual general meeting shall be deemed to be special, other than
- (a) declaring a dividend,
  - (b) consideration of accounts, balance sheets and the reports of the directors and auditors, and
  - (c) the fixing of the remuneration of the auditors at an annual general meeting. Regulation 38 shall be altered accordingly.
- 14 3 All notices of general meetings shall give information to members about their right to appoint a proxy in accordance with Section 372(3).
- 14 4 All notices and other communications relating to a general meeting which a member is entitled to receive shall also be sent to the Directors and the auditors.
- 15 Appointing and Removing Directors**
- 15 1 Unless and until otherwise agreed in writing by the parties the minimum number of Directors shall be two and the maximum number shall be seven. Regulation 64 shall not apply.
- 15 2 Subject to the remaining provisions of this Article 15 and the terms of any written agreement between the Company and Shareholders together holding a majority of Shares in the Company, the A Shareholders may between them appoint up to three persons as A Directors and shall be entitled at any time to remove or substitute any A Director so appointed by delivering written notice to the Company at its registered office signed by or on behalf of a member or members together holding a majority of the issued A Shares in the Company. If for any reason an A Director resigns or is removed in accordance with the Articles or otherwise ceases to be an A Director, the A Shareholders shall (and shall be entitled to) appoint another person as an A Director.
- 15 3 Subject to the remaining provisions of this Article 15 and the terms of any written agreement between the Company and Shareholders together holding a majority of Shares in the Company, the B Shareholders may between them appoint up to three persons as B Directors and shall be entitled at any time to remove or substitute any B Director so appointed by delivering written notice to the Company at its registered office signed by or on behalf of a member or members holding a majority of the issued B Shares in the Company. If for any reason a B Director resigns or is removed in accordance with the Articles or otherwise ceases to be a B Director, the B Shareholders shall (and shall be entitled to) appoint another person as a B Director.
- 15 4 In addition to any A Directors or B Directors appointed in accordance with Articles 15 2 and 15 3 above, the Board may appoint a person who is willing to act to be a Non-Voting Director, who shall be entitled to receive notice of, attend and speak at, but not vote at, meetings of the directors and shall be entitled at any time to remove or substitute any Non-Voting Director so appointed. If for any reason a Non-Voting Director resigns or is removed in accordance with the Articles or otherwise ceases to be a Director, the Board may appoint another person as Non-Voting Director.

- 15 5 Subject to the terms of any written agreement between the Company and Shareholders together holding a majority of Shares in the Company, no Director shall be appointed otherwise than as an A Director or a B Director or a Non-Voting Director and as provided in these Articles
- 15 6 A Director appointed pursuant to Articles 15 2 or 15 3 shall cease to hold office immediately upon receipt by the Company at its registered office of notice removing him or, if later, the date stated in the notice, such notice to be duly executed by a member or members together holding a majority of the issued A Shares in the Company if it relates to an A Director or a member or members together holding a majority of the issued B Shares in the Company if it relates to a B Director
- 15 7 If a Shareholder removes a Director in accordance with its rights to do so under these Articles, it shall be responsible for and shall indemnify the other Shareholders and the Company against any and all claims by such Director for unfair or wrongful dismissal or other compensation arising out of such removal and against any losses, costs or expenses suffered or reasonably incurred as a result of that removal
- 15 8 The Directors do not need to retire by rotation
- 15 9 There shall be no restrictions (other than those imposed by law, Table A or in any written agreement between the Company and Shareholders together holding a majority of Shares in the Company) on who may be appointed a Director of the Company A person of any age may be appointed and no Director will be required to vacate his office because he has reached a particular age
- 15 10 As between the Shareholders of any particular class of Share, there shall be no obligation on a Shareholder or Shareholders together holding a majority of the Shares issued in that particular class to consult the other Shareholders of that class of Shares before signing a notice appointing, removing or substituting a Director pursuant to Articles 15 2 and 15 3 above
- 16 Powers and Proceedings of Directors**
- 16 1 The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit provided that a Director may and the secretary on the requisition of a Director shall at any time summon a meeting of the Directors A Director absent from the United Kingdom shall notwithstanding such absence be entitled to notice of any such meeting Regulation 88 is amended accordingly
- 16 2 The quorum necessary for the transaction of business of the Directors at a meeting of the Board shall be two Directors, being at least one A Director and one B Director
- 16 3 If within half an hour from the time appointed for the holding of a Board meeting a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then the meeting shall be re-adjourned again to the same day in the next week
- 16 4 At all meetings of the Board, all of the A Directors present at such meeting shall between them be entitled to one vote on any decision of the Board and all of the B Directors present at any such meeting shall between them be entitled to one vote on any decision of the Board



- 16 5 In the case of an equality of votes at any Board meeting, the chairman shall not be entitled to a second or casting vote in addition to any other vote they may have and Regulation 88 is amended accordingly The third sentence of Regulation 88 shall be deleted
- 16 6 If a meeting of the Directors (or of a committee of Directors) considers any proposal where any Director has an interest which conflicts, or could conflict, with the interests of the Company then such Director must disclose that interest to the meeting in accordance with Section 317 Provided the Director does this, he may vote at the meeting and may be counted in determining whether a quorum is present at the meeting A disclosure made by a Director which complies with Section 317 will be sufficient disclosure for the purposes of Regulations 85 and 86
- 16 7 A meeting of the Board or of a committee may be held by means of video-conference, telephone or similar communications equipment However, everybody who participates in the meeting must be able to hear each other Any person participating in a meeting held in this manner shall be deemed to be present in person at the meeting They will therefore count towards the quorum and be entitled to vote in any resolutions proposed to be passed at the meeting
- 16 8 A resolution in writing signed by all the Directors of the Company for the time being entitled to vote shall be as valid and effectual as if it had been passed at a duly convened board meeting Any such resolution may consist of several documents in the like form each signed by one or more Directors

**17 Borrowing**

The Directors may exercise all the powers of the Company to

- (a) borrow money without limit as to amount on such terms and in such manner as they think fit,
- (b) grant any mortgage, charge or standard security over all or any part of its undertaking, property and uncalled capital, and
- (c) subject (in the case of any security convertible into shares) to Section 80, 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

**18 Notices**

- 18 1 Every member shall be entitled to receive notices from the Company, whether or not their registered address is in the United Kingdom Regulation 112 is amended accordingly
- 18 2 In Regulation 112 the words "or by telex or fax" shall be inserted before the words "or by sending it by" and the words "first class" shall be inserted before the words "post in a pre-paid envelope"
- 18 3 Where notice is communicated by telex or fax then the notice shall be deemed to be given at the time it is correctly transmitted to the person to whom it is addressed



**19 Company Seal**

- 19 1 A document can only be sealed with the company seal if the Directors authorise this. The Directors shall decide who will sign any document that the seal is affixed to. If the Directors do not decide this then the document will be signed by any Director and also by the secretary or another Director. Share certificates do not have to be sealed with the seal and Regulation 6 is modified accordingly.
- 19 2 The Company is authorised under Section 39 to have one or more official seals which can be used outside the United Kingdom. The Directors may exercise this power.

**20 Indemnity**

Insofar as the following provisions are not avoided by the Act

- (a) every Director or other officer 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 in relation to the performance of the duties of his office, including any liability incurred by him in defending any proceedings, either civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with an application under Section 144 or Section 727 in which relief is granted to him by the Court, and
- (b) no Director or other officer shall be liable to the Company or any third party for any loss or damage suffered by the Company arising out of that person's performance of their duties of office

