

COMPANIES ACTS, 1985 TO 1989
PRIVATE COMPANY LIMITED BY SHARES
Of
PROPELLERNET LTD
Company Number 4668888

MONDAY



RM *R801AC3V* #18
25/02/2019
COMPANIES HOUSE

PRELIMINARY

1. The Company shall be a private company within the meaning of the Companies Act, 1985 (here-in after referred to as "the Act") and subject as hereinafter provided by the regulations contained in The Companies (Tables A to F) Regulations 1985 as in force at the date of incorporation of the Company. Such regulations (hereinafter referred to as "Table A") shall apply to the Company.
2. Regulations 60, 61, 64, 73, 74, 75, 81(e), 89, 94, 95, 96, 97 and 98 of Table A shall not apply to the Company but the Articles hereinafter contained together with the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

GENERAL MEETINGS

3. In every notice calling a General Meeting of the Company there shall prominently appear a statement that a member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of that member and that the proxy need not be a member of the Company. Every notice calling a General Meeting of the Company shall also be sent to the current Auditors of the Company.
4. One member may constitute a quorum where the Company is a single member company.

AUDITORS

5. The appointment of an auditor shall be subject to the regulations concerning exemption from such an appointment where the relevant criteria as defined by the Act are met.

SHARES

- 6.1 The share capital of the Company as at the date of adoption of these Articles is 10,000 shares of £1.00 each.

TRANSFER OF SHARES BY EXECUTIVE SHAREHOLDERS

7.1 Pre- Emption Rights & Share Price

7.1.1 Except in the case of a transfer pursuant to Article 7.2 (*Drag Along*), Article 7.3 (*Leavers*) and Article 7.4 (*Share Scheme Exercise*), no share or beneficial ownership of the Executive Shares shall be transferred until the rights of pre-emption hereinafter conferred have been exhausted. Any obligation to transfer a share pursuant to this Article is an obligation to transfer the entire legal and beneficial interest in such share.

7.1.2 An Executive Shareholder who is obliged or intends to transfer any share or

Notes

- 1) If you agree with the Resolutions, please sign this document above alongside your name or the name of the person on whose behalf you are authorised to act.
- 2) Unless by the end of the period of 28 days beginning with the Circulation Date sufficient agreement has been received by the Company for the Resolutions to pass, they will lapse.
- 3) If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power or authority to help@vestd.com.



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Founder Shareholders accordingly.

(the Nominal Value, the Purchase price, the Agreed Price and the Fair Price shall hereinafter be referred to as the "**Appropriate Transfer Shares Price**" and shall be construed and paid in accordance with the stipulations under this Article 7.1). Such Transfer Notice shall not be capable of revocation, other than by the Founder Shareholders representing 50 per cent or more of the issued share capital of the Company by notice in writing given to all the Founder Shareholders of the Company.

7.1.3 Upon receipt of the Transfer Notice from the Executive Seller, the Directors shall offer the Transfer Shares to:

- (a) the Company, provided the Company and Shareholders can comply with the provisions of the Companies Act regarding buy-back of shares; or
- (b) If the Company cannot buy-back the shares, the Founder Shareholders pro-rata to their holding;

and the Company or the Founder Shareholders, as appropriate, shall be hereinafter referred to as the "**Offerees**". The Offerees shall purchase the Transfer Shares at the Appropriate Transfer Shares Price and, if applicable, the Appropriate Transfer Shares Price indicated in the Transfer Notice shall be substituted by the Fair Price in the Certificate of Value.

7.2 Drag Along Rights

7.2.1 If at any time the Founder Shareholders representing 50 per cent or more of the issued share capital of the Company enter into negotiations with a proposed purchaser (the "**Proposed Purchaser**") with a bona fide offer on arm's length terms to acquire at least 75% of the share capital of the Company (the "**Relevant Shares**") then the Founder Shareholders shall give to the Company not less than 28 days' advance notice prior to selling the Relevant Shares (the "**Selling Notice**"). The Selling Notice will include details of the Relevant Shares and the proposed price for each Relevant Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the estimated date and time of completion of the proposed purchase of the Relevant Shares being a date not less than 28 days from the date of the Selling Notice ("**Completion**").

7.2.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing to each of the Executive Shareholders containing the Selling Notice (a "**Compulsory Sale Notice**"), requiring each of them to sell to the Proposed Purchaser on Completion all of their holdings of shares on the same terms as those contained in the Selling Notice.

7.2.3 Notwithstanding Article 7.2.6 below, each Executive Shareholder who is given a Compulsory Sale Notice shall sell all of his/her shares referred to in the Compulsory Sale Notice at the highest price for the same class per Relevant Share to be sold to the Proposed Purchaser on Completion and on the terms set out in the Selling Notice.

any interest therein (the "Executive Seller") including for this purpose the assignment of the beneficial interest in, or the creation of any charge or other security interest over, such share or the renunciation or assignment of any right to receive or subscribe for such share (the "Executive Shares") but excluding any Executive Share sale further to a Share Scheme Exercise in accordance with Article 7.4 below), shall submit notice (the "Transfer Notice") to the directors of his/her intention and the particulars of the shares (the "Transfer Shares") together with the price per share which shall be:

- (a) IF, in the opinion of the remuneration committee which shall be comprised of the Founder Shareholders unless decided otherwise (the "Remuneration Committee"), the Executive Seller is a Bad Executive Seller, the price per share shall be £1.00 per Executive Share (the "Nominal Value").

Bad Executive Seller is an Executive Seller who is guilty of:

- (a1) misconduct;
- (a2) negligence in connection with or affecting the business or affairs of the Company;
- (a3) being interested in another business which competes with the business of the Company; and/or
- (a4) any other reason which may lead to the termination of the Executive Shareholder's employment or engagement with the Company;

and the decision as to whether the Executive Seller is guilty of any of the abovementioned acts or omissions, shall be at the Remuneration Committee's sole discretion and its decision shall be final and binding on the Executive Shareholder.

- (b) IF, in the opinion of the Remuneration Committee, the Executive Seller is an Executive Shareholder who is not a Bad Executive Seller ("a **Good Executive Seller**"), the price per share shall be the price paid for such Transfer Shares (the "**Purchase Price**");
- (c) In exceptional circumstances in the Remuneration Committee's absolute discretion, the price per share of a Good Executive Seller may be the Agreed Price or the Fair Price as follows:
- (i) as agreed between the Executive Seller and, as appropriate in accordance with Article 7.1.3 below, the Company or the Founder Shareholders (the "**Agreed Price**"); OR
 - (ii) If the relevant parties cannot agree on the price, the remuneration Committee shall instruct the accountants to draw up a Certificate of Value setting up the fair price of the Transfer Shares (the "**Fair Price**");

and the Agreed Price or the Fair Price, as appropriate, shall be paid in one to twenty four instalments either by the Company or the Founder Shareholders in accordance with Article 7.1.3 below and the number of instalments shall be as determined by the Company or the



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- 7.2.4 The Compulsory Sale Notice may contain a provision requiring the Executive Shareholders to enter into a service agreement with the Proposed Purchaser on Completion ("**New Service Agreement**"). The New Service Agreement may stipulate that the right to payment of the proceeds of sale after Completion will be subject to performance of the new Service Agreement. The New Service Agreement shall be on such terms as the Proposed Purchaser may require, but no worse than the existing service agreement of the Executive Shareholder with the Company as at the date of the Compulsory Sale Notice.
- 7.2.5 The form of the New Service Agreement shall be tabled at least 14 days before Completion otherwise the condition to enter into such a New Service Agreement contained in the Compulsory Sale Notice shall automatically and immediately lapse.
- 7.2.6 If any Executive Shareholder fails to comply with the terms of a Compulsory Sale Notice given to him/her ("**the Defaulting Member**"), the Company shall be constituted the agent of each Defaulting Member for the sale of his/her shares in accordance with the Compulsory Sale Notice (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such shares. The receipt of the Company of the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member until such member shall, in respect of the shares being the subject of the Compulsory Sale Notice, have delivered his/her share certificates or a suitable indemnity and the necessary transfers to the Company. No Executive Shareholder shall be required to comply with a Compulsory Sale Notice unless the Founder Shareholders shall sell the Relevant Shares to the Proposed Purchaser on Completion, subject at all times to the Founder Shareholders being able to withdraw the Selling Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Transfer Notice shall immediately lapse.

7.3 Deemed Transfer Notice by Leavers

- 7.3.1 In this Article 7.3 the following terms shall mean as follows:

Bad Leaver: a Departing Executive Shareholder who is guilty of:

- (a) misconduct;
- (b) negligence in connection with or affecting the business or affairs of the Company;
- (c) being interested in another business which competes with the business of the Company; and/or
- (d) any other reason which may lead to the termination of the Executive Shareholder's employment or engagement with the Company;



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- (i) in paying the Founder Shareholders and the Executive Shareholders pari passu as if the same were one class of shares the amounts paid up on such shares, and thereafter;
- (ii) in paying the holders of any other Ordinary Shares in proportion to the amounts (including any premium) paid up or credited as paid up on the Ordinary Shares held by them respectively.

VOTING:-

8.1.6 The Executive Shareholders and, subject to article 8.1.7 below, the holders of any other Ordinary Shares shall have no rights to receive notice of or to be present or to vote, either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of such shares.

8.1.7 The Founder Shareholders shall have the right to receive notice or to be present or to vote, either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of such shares and shall have one vote for each share held by them.

SHARE CAPITAL

9. The Company is a private company limited by shares, within the meaning of the Act
10. The directors of the Company are authorised during the period of five years from the date of incorporation of the Company to allot, grant options over or otherwise dispose of the original share in the capital of the company to such persons at such time and on such conditions as they think fit, subject to the provisions of Articles 8 and 9 hereof and provided that no share shall be issued at a discount.
11. Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and any new shares from time to time to be created, shall, before they are issued, be offered to the members in proportion as nearly as possible to the nominal value of the existing shares held by them and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer if not accepted shall be deemed declined, and after the expiration of such time or on receipt of an intimation from the member to whom the notice is given that he declines to accept the shares, the directors may dispose of the same in such manner as they think most beneficial to the Company. The provisions of Section 89 of the Act shall have effect only insofar as they are not inconsistent with this Article.
12. A Founding Shareholder desiring to transfer shares otherwise than to a person who is already a Founding Shareholder of the Company shall give notice in writing of such intention to the Directors of the Company giving particulars of the share in question. The directors as agents for the Founding Shareholder giving such notice may dispose of such shares or any of them to Founding Shareholders of the Company at a price to be agreed between the transferor and the Directors, or failing agreement, at a price fixed by the Auditors of the Company as the fair value thereof. If within twenty-eight days from the date of the said notice the Directors are unable to find a Founding Shareholder or Founding Shareholders willing to purchase all such shares, the transferor may dispose of so many of such shares as

purpose of this Article 7.3.9, mean the 'Departing Executive Shareholder', as the context shall permit.

7.3.10 The **Departure Transfer Notice** or **Transfer Notice**, as appropriate, shall not be capable of revocation, other than by the Founder Shareholders representing 50 per cent or more of the issued share capital of the Company by notice in writing given to all the Founder Shareholders of the Company.

7.4 Share Scheme Exercise

7.4.1 If an Executive Seller who is or was a participant of a Company share option scheme ("**Share Scheme**") is obliged or intends to transfer any Executive Shares pursuant to a sale of the company as defined in the Executive Shareholder's relevant Share Scheme (the "**Company Sale**"), shall submit a Transfer Notice together with the price per share which shall be the value of the Executive Shares as agreed between the Company and the purchaser under such Company Sale deal (the "**Share Scheme Exercise**").

7.4.2 Subject to Article 7.2 and 7.3, such Share Scheme Exercise shall be governed by the relevant Share Scheme and the payment time and method shall be in accordance with the Company Sale deal.

8. RIGHTS OF EXECUTIVE SHAREHOLDERS AS REGARDS

INCOME:-

8.1 The profits of the Company which are available for distribution in respect of any financial year shall be applied as follows:-

8.1.1 in paying to the Founder Shareholders such amount, if any, as the Board of Directors shall in its absolute discretion think fit;

8.1.2 subject to the dividend referred to in Article 8.1.1 above, any further profits which the Company may determine to distribute in respect of any financial year may be distributed among the Executive Shareholders as the Board of Directors in its absolute discretion shall think fit.

8.1.3 For the avoidance of doubt:

- (a) no declaration of a dividend in respect of the Founder Shares shall confer any right to dividend on the holders of the Executive Shares;
- (b) Good Leavers shall have no right to any dividend declared after their Departure; and
- (c) Bad Leavers shall have no right to any payment of dividend once the Remuneration Committee resolved that they were a Bad Leaver.

CAPITAL:-

8.1.5 On a return of assets on liquidation or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be applied:-



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- (i) in paying the Founder Shareholders and the Executive Shareholders *pari passu* as if the same were one class of shares the amounts paid up on such shares, and thereafter;
- (ii) in paying the holders of any other Ordinary Shares in proportion to the amounts (including any premium) paid up or credited as paid up on the Ordinary Shares held by them respectively.

VOTING:-

8.1.6 The Executive Shareholders and, subject to article 8.1.7 below, the holders of any other Ordinary Shares shall have no rights to receive notice of or to be present or to vote, either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of such shares.

8.1.7 The Founder Shareholders shall have the right to receive notice or to be present or to vote, either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of such shares and shall have one vote for each share held by them.

SHARE CAPITAL

- 9. The Company is a private company limited by shares, within the meaning of the Act
- 10. The directors of the Company are authorised during the period of five years from the date of incorporation of the Company to allot, grant options over or otherwise dispose of the original share in the capital of the company to such persons at such time and on such conditions as they think fit, subject to the provisions of Articles 8 and 9 hereof and provided that no share shall be issued at a discount.
- 11. Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and any new shares from time to time to be created, shall, before they are issued, be offered to the members in proportion as nearly as possible to the nominal value of the existing shares held by them and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer if not accepted shall be deemed declined, and after the expiration of such time or on receipt of an intimation from the member to whom the notice is given that he declines to accept the shares, the directors may dispose of the same in such manner as they think most beneficial to the Company. The provisions of Section 89 of the Act shall have effect only insofar as they are not inconsistent with this Article.
- 12. A Founding Shareholder desiring to transfer shares otherwise than to a person who is already a Founding Shareholder of the Company shall give notice in writing of such intention to the Directors of the Company giving particulars of the share in question. The directors as agents for the Founding Shareholder giving such notice may dispose of such shares or any of them to Founding Shareholders of the Company at a price to be agreed between the transferor and the Directors, or failing agreement, at a price fixed by the Auditors of the Company as the fair value thereof. If within twenty-eight days from the date of the said notice the Directors are unable to find a Founding Shareholder or Founding Shareholders willing to purchase all such shares, the transferor may dispose of so many of such shares as

shall remain un disposed of in any manner he may think fit within three months from the date of the said notice. Where the Company has no auditor an individual or body eligible for appointment as an auditor as per the Companies Act shall be chosen to fix the price.

APPOINTMENT OF DIRECTORS

13. The first director or directors of the Company shall be determined in writing by the subscriber(s) to the Memorandum of Association, pursuant to section 10 of the Act.
14. Unless otherwise determined by ordinary resolution, the numbers of directors (other than alternate directors) shall not be subject to any maximum, but shall be not less than one.
15. A person may be appointed a director of the Company notwithstanding that he has attained the age of seventy years and no directors shall be liable to vacate the office by reason only of his having attained that age or any other age.

PROCEEDINGS OF DIRECTORS

16. A director may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising there out, and if he shall so vote, his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.
17. The necessary quorum for the transaction of the business of the directors may be fixed by them and unless so fixed, shall be two, except when one director is in office. A person who holds office only as an alternate director shall, if his appointer is not present, be counted in the quorum.
18. The directors may exercise all of the powers mentioned in the Memorandum of Association part 3.

SECRETARY

19. The first secretary of the Company shall be determined in writing by the subscriber(s) to the Memorandum of Association, pursuant to Section 10 of the Act.

SEAL

20. In accordance with the provisions of the Act the Company need not have a seal. If it does have a seal Regulation 101 of Table A shall apply.



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Name and Address of Subscriber:-
NORMAN YOUNGER
39a Leicester Road
Salford
M7 4AS

Accountant

Dated 17022003