

**FINE DÉCOR WALLCOVERINGS LIMITED**

**ARTICLES OF ASSOCIATION**

Adopted by Special Resolution of the Company on 12/10/2017, as amended by Special Resolution of the Company on 16/07/2021

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Company number: 04110906

THE COMPANIES ACTS 1985 AND 1989  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
FINE DÉCOR WALLCOVERINGS LIMITED

1. PRELIMINARY

- 1.1 The Regulations contained or incorporated in table A of the Companies (Tables A to F) Regulations 1985 and the Companies (Tables A to F) (Amendment) Regulations 1985, other than Regulations 40 and 41, 73, 74, 75 to 76 inclusive, 78 to 80 inclusive, 94 and 95 shall, subject to the modifications hereinafter expressed, apply to the company and together with the regulations hereinafter contained, shall constitute the articles of association of the company.
- 1.2 In regulation 1 of table A “execution” includes both signature under hand and execution under seal the company may execute any documents required by the regulations to be under seal in accordance with section 36A of the Companies Act 1985 as amended (“ Act”) and the Regulations shall be modified accordingly.
- 1.3 Words and expressions which are defined in table A have the same meanings when used in these articles and reference to “Regulations” means the regulations contained in Table A.
- 1.4 The following words and expressions shall have the following meanings:
  - 1.4.1 “Acting in Concert” has the meaning given to it in the City Code on Takeovers and Mergers for the time being;
  - 1.4.2 “Auditors” means the Company’s auditors for the time being;
  - 1.4.3 “Bad Leaver” means a Leaver who is not a Good Leaver;
  - 1.4.4 “Business Day” means a day other than a Saturday or Sunday on which banks are open for general business in London
  - 1.4.5 “Compulsory Seller” means a Shareholder on whom a Compulsory Transfer Notice is served;
  - 1.4.6 “Compulsory Transfer Notice” has the meaning given in Article 9;

- 1.4.7 “Connected Persons” has the meaning given to it in section 1122 of the Corporation Tax Act 2010;
- 1.4.8 “Drag Along Notice”, “Drag Buyer”, “Dragged Shareholders”, “Dragged Shares” and “Dragging Shareholders” have the meanings given to them in Article 12;
- 1.4.9 “Drag Completion Date” means the date of completion of the sale and purchase of the Dragged Shares;
- 1.4.10 “EBT” means any trust established principally for the benefit of the employees (which may include former employees) of the Company or any Group Member;
- 1.4.11 “Employee” means an individual who is an employee and/or consultant and/or director of the Company or another Group Member and “employment contract” shall be construed accordingly;
- 1.4.12 “Equity Shareholder” means a holder of any Equity Shares;
- 1.4.13 “Equity Shares” means the Ordinary Shares and the Non-Voting Ordinary Shares and the Non-voting B Ordinary Shares;
- 1.4.14 “Good Leaver” means a Leaver:
- 1.4.14.1 who ceases to be and is no longer continuing as an Employee and/or consultant and/or director of the Company or any Group Member as a result of his (i) death or (ii) permanent incapacity due to ill-health (except where such ill-health arises as a result of an abuse of alcohol or other drugs); or
  - 1.4.14.2 who continues to be an Employee but becomes eligible for benefits under a permanent health insurance policy of any Group Member; or
  - 1.4.14.3 whose employment contract is terminated by any Group Member other than (i) for fraud, dishonesty or gross misconduct or in other circumstances justifying summary dismissal (or immediate termination) or (ii) for reasons determined by the Voting Majority (acting reasonably) to relate to material failings in the performance of his duties or obligations; or
  - 1.4.14.4 whose employment contract is terminated by the Leaver in circumstances which are determined by a competent court or tribunal to amount to constructive dismissal; or
  - 1.4.14.5 who is an Employee of a Group Member that sells all or substantially all of its assets and undertaking or which ceases to be

a Group Member without him continuing as or becoming an Employee of another Group Member; or

1.4.14.6 who does not fall within categories 1.4.14.1 to 1.4.14.5 above, but is determined by written notice from the Voting Majority in their absolute discretion to be a Good Leaver;

1.4.15 “Group” means the Company and its subsidiary undertakings for the time being, and Brewster Home Fashions LLC (a limited liability corporation incorporated under the laws of the State of Delaware, USA) and whose registered office is at and references to a “Group Member” shall be construed accordingly;

1.4.16 “Immediate Family” means (i) with respect to any individual, means his or her ancestors, spouse, issue, spouses of issue, siblings, spouses of siblings, any trustee or trustees of a trust, including without limitation successor and additional trustees, principally for the benefit of any one or more of such individuals, and any entity or entities all of the beneficial owners of which are such trusts and/or such individuals, but (ii) with respect to a legal representative or trustee, “Immediate Family” means the Immediate Family of the individual for whom such legal representative or trustee was appointed or of each of the principal beneficiaries of the trust, as the case may be;

1.4.17 “Leaver” means an Employee who:

1.4.17.1 ceases to be and is no longer continuing as an employee and/or consultant and/or director of any Group Member for any reason whatsoever (including death or bankruptcy); or

1.4.17.2 continues to be an Employee but becomes eligible for benefits under a permanent health insurance policy of any Group Member;

1.4.18 “Leaver Cessation Date” means, in relation to a Leaver, the earlier of:

1.4.18.1 the date on which he becomes a Leaver; and

1.4.18.2 the date on which he gives or is given notice of termination of his employment contract or the date of occurrence of a repudiatory breach by him of such contract;

1.4.19 “Leaver’s Shareholders” in relation to a Leaver means that Leaver and his Transmittes and any Shareholder who has obtained Shares (directly or indirectly) from such a Leaver as a result of permitted transfer;

1.4.20 “Leaver Valuation Date” means, in relation to a Leaver:

1.4.20.1 the date on which he becomes a Leaver; or

- 1.4.20.2 if determined by written notice from the Voting Majority in their absolute discretion, the date on which he gives or is given notice of termination of his employment contract or the date of occurrence of a repudiatory breach by him of such contract;
- 1.4.21 “Market Value” has the meaning given to it in Article 10.3;
- 1.4.22 “Proposed Sale” and “Proposed Sellers” have the meanings given to them in Article 13;
- 1.4.23 “Sale Price” means the price to be paid for the Sale Shares in accordance with Article 10;
- 1.4.24 “Sale Shares” means Shares which are the subject of a Compulsory Transfer Notice;
- 1.4.25 “Share” means a share in the Company;
- 1.4.26 “Shareholder” means a person who is the holder of a Share;
- 1.4.27 “Share Sale” means any transaction or series of related transactions whereby any person (together with its Connected Persons and any other persons with whom it is Acting in Concert) obtains the ownership of more than 50 per cent in nominal value of the Equity Shares (excluding any Equity Shares held as treasury shares);
- 1.4.28 “Tag Buyer”, “Tag Offer”, “Tagged Shares” have the meanings given to them in Article 13;
- 1.4.29 “Transmittee” means a person entitled to a Share or any Interest in a Share due to the death or bankruptcy of a Shareholder or otherwise by operation of law;
- 1.4.30 “Valuer” means the Auditors or, if no Auditors are for the time being appointed or if they decline or are unable to act in relation to any determination, an independent firm of chartered accountants:
- 1.4.30.1 agreed by the Compulsory Seller(s) and the Voting Majority in writing (such agreement not to be unreasonably withheld or delayed); or
- 1.4.30.2 in the absence of agreement:
- (a) where Auditors are for the time being appointed, within five Business Days of the Auditors having declined, or indicated they are unable, to act; or
  - (b) where no Auditors are for the time being appointed, within 20 Business Days of the date of service of the Compulsory

Transfer Notice (or such longer period as may be determined by the Voting Majority),

nominated in writing by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the application of the Company;

1.4.31 “Voting Majority” means the holders of a majority of the Ordinary Voting Shares (and excluding the Non-voting Ordinary Shares and the Non-voting B Ordinary Shares); and

1.4.32 “Voting Majority Consent” means the consent in writing of a Voting Majority.

1.5 References to a “transfer” of Shares includes any sale, exchange, transfer, assignment, pledge, mortgage, hypothecation, grant of a security interest, or other disposition of an LLC Interest (or, unless expressly provided otherwise, any portion of an interest in a Share or any economic interest therein, including as a result of any participation or swap transaction), whether directly or indirectly, whether for value or otherwise, including by merger, consolidation, bankruptcy, divorce or other operation of law, whether absolute, contingent, as security or otherwise, or voluntary or involuntary.

## 2. PRIVATE COMPANY

The Company is a private company.

## 3. SHARE CAPITAL

3.1 The capital of the Company at the date of the adoption of these Articles is £3,665,257.152 divided into:

3.1.1 “Ordinary Voting Shares” comprising 125,000 Ordinary Voting Shares of £1 and

3.1.2 “Non-voting Ordinary Shares” comprising:

3.1.2.1 3,538,687 Non-voting Ordinary Shares of £1 each; and

3.1.2.2 1,570,152 Non-voting B Ordinary Shares of £0.001 each.

3.2 The Ordinary Voting Shares and the Non-voting Ordinary Shares and Non-voting B Ordinary Shares shall be separate classes of shares, but save as to the nominal value in 3.1.2.2 in respect of the Non-voting B Ordinary Shares and save as provided in Article 3.3 shall carry the same rights and privileges and shall rank *par passu* in all respects.

3.3 The holders of the Non-voting Ordinary Shares and the Non-voting B Ordinary Shares shall not, by virtue of or in respect of their holdings of Non-voting Ordinary Shares and the Non-voting B Ordinary Shares, have the right to vote at any general meeting of the company.

- 3.4 The company may by special resolution re-designate any Voting Ordinary Share as a Non-voting Ordinary Share or any Non-voting Ordinary Share as a Voting Ordinary Share.
- 3.5 For the purposes of section 80 of the Act and subject to the provisions of Article 4, the directors are hereby unconditionally authorised at any time or times during the period of five years from the date of incorporation to:

3.5.1 allot relevant securities of the company (as defined in the said section) up to the amount of the authorised but unissued share capital of the company at the date of incorporation; and

3.5.2 to make at any time before the expiry of the foregoing authority any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority

provided that the authority hereby given may, subject to the Act, be renewed, revoked or varied by the company at any time during such period by ordinary resolution and unless so renewed, revoked or varied, such authority shall expire at the end of such period.

- 3.6 All unissued shares or securities of the Company not comprising relevant securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think fit.
- 3.7 No holder of Non-voting Ordinary Shares or Non-voting B Ordinary Shares shall be entitled to any right of pre-emption in respect of the issue of any Shares or securities of the company, whether under the Act, the Companies Act 2006 (and in this respect Sections 561 and 562 of that act are hereby excluded) or otherwise.

#### 4. ALLOTMENT OF SHARES

- 4.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares shall be issued to such persons and upon such terms and conditions and with such rights, priorities, privileges or restrictions as the resolution creating or issuing such shares and/or effecting the increase in the authorised share capital of the company shall prescribe but, in the absence of any such prescription, all shares whether forming part of the existing or any increased capital shall be at the disposal of the directors who may issue them, subject to section 80 of the Act, to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit. Accordingly, and in accordance with section 91 of the Act, sections 89(1) and 90(1) - (6) inclusive of the Act shall not apply to the Company.

- 4.2 No shares shall be issued to any infant, bankrupt or person suffering from mental disorder (as that expression is used in Regulation 81(c)).

#### 5. LIEN

The lien conferred by Regulation 8 shall extend also to fully paid shares and to all shares registered in the name of any person indebted or under liability to the Company, (whether



solely or jointly with any other person and whether he shall be the sole registered holder thereof or shall be one of several joint holders) and shall be a first and paramount lien for all monies and liabilities owed to the Company whether presently due and payable or not.

## 6. FORFEITURE

The liability of any member in default of payment of a call shall, if the directors so direct, also include any costs and expenses suffered or incurred by the Company in respect of such non-payment and Regulations 18 and 21 shall be amended accordingly.

## 7. TRANSMISSION OF SHARES

The directors may at any time give notice requiring any person entitled to a share by reason of the death or bankruptcy of the holder thereof to elect either to be registered himself in respect of the share or to transfer the share and if the notice is not complied with within 30 days of the date of such notice the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with and Regulation 31 shall be modified accordingly.

## 8. TRANSFER OF SHARES

8.1 The directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of any share whether or not it is a fully paid share and for the purposes of these articles the expression “transfer” includes the renunciation of any allotment of shares or of any rights to subscribe for or receive an allotment of shares and the first sentence of Regulation 24 is modified accordingly.

8.2 No Non-Voting Ordinary Shares or Non-voting B Ordinary Shares issued to or otherwise acquired by an Employee may be transferred by that Employee or his Transferee to any other person except:

8.2.1 with Voting Majority Consent;

8.2.2 (with the consent of the Company) to secure any debt of the Company;

8.2.3 to the Immediate Family of the Employee for estate planning purposes; or

8.2.4 pursuant to the provisions of Articles 9 to 13 inclusive (Compulsory Transfers, Tax Along or Drag Along)

and such transfer shall further be subject to the transferee’s written assumption, in form and substance satisfactory to the Board of all obligations of the transferring shareholder to indemnify the Company and/or any Group Company in respect of liabilities to tax.

8.3 The Board will refuse registration of any transfer to a person to whom Shares may not be transferred pursuant to these articles. All expenses, including legal fees and expenses, incurred by the Company in connection with any transfer of Shares will be fully borne, jointly and severally, by the transferring Shareholder and such Shareholder’s transferee. In

addition, such transferring Shareholder and such transferee, jointly and severally, will indemnify the Company and the other Shareholders against any damages, losses or liabilities to which the any of them may become subject arising out of or based upon any false representation or warranty made by, or breach or failure to comply with any covenant or agreement of, such transferring Shareholder or such transferee in connection with such transfer.

8.4 Save with Voting Majority Consent no transfer of Shares shall be permitted (save under the categories set out in Article 8.2.4) that would

8.4.1 cause the Company or any subsidiary to breach these articles;

8.4.2 result in the transfer to any competitor (or any affiliate of any such competitor) of the Company or of any subsidiary, or any officer, director, manager, shareholder or member of any of the foregoing persons (and whether a person is a competitor shall be determined by the Board);

8.4.3 cause (in the reasonable opinion of the Board) the Company or any subsidiary otherwise to suffer any material adverse consequence.

8.5 Notwithstanding anything contained in these Articles or otherwise, no transferor of any shares in the Company is required to comply with any restriction on the transfer of such shares and any such restriction shall not apply to, and the director(s) shall not refuse to register, nor suspend registration of, any transfer of such shares where such transfer is:

(a) to any bank, lender, financial institution or other person (or any affiliate of, or nominee or other entity appointed by or acting on behalf of, such a bank, lender, financial institution or other person) (a Financial Institution) by way of security (whether such Financial Institution is acting as agent, trustee, on its own account or otherwise);

(b) duly executed by a Financial Institution pursuant to a power of sale or other power under or in connection with any security document which creates any security interest over such shares; and/or

(c) duly executed by a receiver or manager appointed by or on behalf of a Financial Institution under or in connection with any security document which creates any security interest over such shares,

and:

(a) no transferor of any shares in the Company to a Financial Institution;

(b) no Financial Institution; and/or

(c) no receiver or manager appointed by or on behalf of a Financial Institution,

shall be required to offer the shares which are or are to be the subject of any transfer described in this Article 8.5 to the members for the time being of the Company or any of them, and no such member shall have any right under these Articles or otherwise to require such shares to be transferred to that member whether for consideration or not.

A certificate by any officer or employee of a Financial Institution that the shares were subject to any security and the transfer was so executed will be conclusive evidence of such facts.

For the purposes of this Article 8.5, "person" includes any person, individual, firm, company, corporation, government, state or agency of a state or any undertaking (within the meaning of section 1161(1) of the Companies Act 2006) or other association (whether or not having separate legal personality) or any two or more of the foregoing.

- 8.6 Notwithstanding anything contained in these Articles or otherwise any present or future lien on shares in favour of the Company shall not apply in respect of any shares (whether fully or partly paid) which are to be or have been transferred (by way of security or otherwise) to, or otherwise secured in favour of, a Financial Institution (as defined in Article 8.5) or which are or are to be transferred in accordance with the provisions of Article 8.5 above

## 9. COMPULSORY TRANSFERS

- 9.1 The Voting Majority have the right by notice to the relevant Shareholder(s) (other than holders of Ordinary Voting Shares) referred to in Article 9.2 ("Compulsory Transfer Notice") to require such Shareholder to transfer all or some of the Shares registered in his name or to which he is or may become entitled (whether as a result of his holding of Shares or otherwise) at the Sale Price to such person(s) (including an Employee or prospective Employee, the trustee(s) of an EBT, any Shareholder and/or the Company (to either be (as directed by the Voting Majority) cancelled or held in treasury)) as the Voting Majority determine ("Nominated Transferees"), in accordance with Article 9.2.

- 9.2 A Compulsory Transfer Notice may be given:

9.2.1 when an Employee becomes a Leaver, to the Leaver's Shareholders at any time and from time to time after the date on which the Employee becomes a Leaver; and

9.2.2 when an Employee who is not a Leaver (being an individual) becomes bankrupt, to that Shareholder or his Transmittes at any time and from time to time after such bankruptcy;

- 9.3 The Compulsory Transfer Notice may reserve to the Voting Majority the right by notice to finalise the identity of the Nominated Transferee(s) and the number of Sale Shares not later than 20 Business Days after the date of the agreement or determination of the Sale Price.

10. COMPULSORY TRANSFERS - SALE PRICE

10.1 In relation to a Compulsory Transfer Notice given pursuant to Article 9.2.1, the price for the Sale Shares shall be as follows:

10.1.1 if the Leaver is a Bad Leaver, the lower of:

10.1.1.1 the nominal value of the Sale Shares; and

10.1.1.2 the Market Value of the Sale Shares on the Leaver Valuation Date;  
or

10.2 If Leaver is a Good Leaver, the price shall be the Market Value of the Sale Shares on the Leaver Valuation Date.

10.3 The “Market Value” of Sale Shares on the relevant date shall be as follows:

10.3.1 the amount agreed between the Compulsory Seller(s) and the Voting Majority; or

10.3.2 in the absence of agreement within 15 Business Days of the date of service of the Compulsory Transfer Notice (or within such longer period as may be determined by the Directors (with Voting Majority Consent)) the amount determined by a Valuer that, in his opinion, represents their market value by valuing all the Equity Shares (excluding any Equity Shares held as treasury shares) as a whole:

10.3.2.1 taking into account any Shares which may be allotted pursuant to options or convertible securities that are outstanding on the relevant date;

10.3.2.2 assuming a sale between a willing seller and a willing buyer on arm’s length terms;

10.3.2.3 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;

10.3.2.4 taking into account any liabilities of the Company; and

10.3.2.5 otherwise reflecting any other factors which the Valuer reasonably considers should be taken into account,

and then valuing the Sale Shares as a rateable proportion of the value of all the Equity Shares (excluding any Equity Shares held as treasury shares), disregarding:

(a) the fact that the Sale Shares represent a minority shareholding; and

(b) any restrictions on transfer attaching to the Sale Shares;

but taking into account the rights and restrictions attaching to the Sale Shares in respect of income and capital.

## 11. COMPULSORY TRANSFERS - VALUER'S DETERMINATION

- 11.1 If any Valuer is required to determine the Market Value of any Sale Shares, the Company and the Compulsory Seller(s) shall promptly request such determination and shall agree and sign an engagement letter with the Valuer in relation to such determination upon such terms as the Voting Majority shall reasonably direct.
- 11.2 The Company shall give the Valuer access to all the accounting records and any other documents of the Group it may reasonably require to determine the Market Value of the Sale Shares (subject to the Valuer agreeing such confidentiality provisions as the Directors may reasonably require).
- 11.3 In determining the Market Value of the Sale Shares, the Valuer shall act as an expert (not as an arbitrator) and its written determination shall be conclusive and binding on the Company and the Compulsory Seller(s) concerned (except in the case of fraud or manifest error).
- 11.4 The costs and expenses of the Valuer shall be borne as to 50 per cent by the Compulsory Seller(s) (pro rata to their holdings of Sale Shares) and 50 per cent by the Company.

## 12. DRAG ALONG

- 12.1 If one of more Shareholders, including the Voting Majority, ("Dragging Shareholders") wishes to transfer (whether through a single transaction or a series of related transactions) all of the Equity Shares registered in their name to a purchaser and/or to any of its Connected Persons and/or to any other persons with whom it is Acting in Concert (together the "Drag Buyer"), the Voting Majority shall have the right by notice ("Drag Along Notice") to each of the other Shareholders, other than the Company when it holds Shares as treasury shares, ("Dragged Shareholders") to require all such Dragged Shareholders to sell and transfer the legal and beneficial title to all of the Equity Shares registered in their name ("Dragged Shares") (free from all liens, charges and encumbrances and together with all rights attaching to them and with full title guarantee) to the Drag Buyer (or as the Drag Buyer may direct) in accordance with the provisions of this Article 12.
- 12.2 A Drag Along Notice may be given to the Dragged Shareholders at any time before the completion of the transfer of the Dragging Shareholders' Equity Shares to the Drag Buyer (or as the Drag Buyer may direct). It shall specify:
  - 12.2.1 that the Dragged Shareholders are required to transfer all their Shares pursuant to this Article 12;
  - 12.2.2 the identity of the Drag Buyer (and, if relevant, the transferee(s) to whom the Drag Buyer directs the Dragged Shares are to be transferred);

- 12.2.3 the amount (if any) and form of consideration for which the Dragged Shares are to be transferred;
- 12.2.4 the proposed, place, date and time of transfer; and
- 12.2.5 the other terms and conditions of sale to which the Dragged Shareholders are required to adhere,
- and shall be accompanied by all documents required to be executed by the Dragged Shareholders to give effect to the relevant transfer.
- 12.3 A Drag Along Notice may be revoked by the Voting Majority at any time prior to the completion of the sale and purchase of the Dragged Shares by notice to the Dragged Shareholders.
- 12.4 The amount (if any) of consideration for which the Dragged Shareholders shall be obliged to sell each of their Dragged Shares shall be that to which they would be entitled if the aggregate value of the total consideration to be paid by the Drag Buyer for all of the Dragging Shareholders' Equity Shares and the Dragged Shares as a whole was allocated to the Dragging Shareholders and the Dragged Shareholders pro rata amongst the holders of the Ordinary Shares and Non-voting Ordinary Shares and Non-voting B Ordinary Shares as if they were a single class; and
- 12.4.1 if any of the consideration to be paid by the Drag Buyer is to be deferred or is otherwise not payable until after completion of the sale of the Dragging Shareholders' Equity Shares and the Dragged Shares to the Drag Buyer (or as the Drag Buyer may direct), any initial consideration to be paid at the time of such completion shall be allocated to the Dragging Shareholders and the Dragged Shareholders pro rata amongst the holders of the Ordinary Voting Shares and Non-voting Ordinary Shares Non-voting B Ordinary Shares as if they were a single class; and
- 12.4.2 if, and to the extent that, any deferred or other consideration is subsequently to be paid by the Drag Buyer it shall be allocated to the Dragging Shareholders and the Dragged Shareholders pro rata amongst the holders of the Ordinary Voting Shares and Non-voting Ordinary Shares and Non-voting B Ordinary Shares as if they were a single class after taking into account any prior allocations of consideration that have already taken place.
- 12.5 For the avoidance of doubt, "total consideration" for the purposes of Article 12.4 shall be construed as meaning the value or worth of the total consideration regardless of the form of the total consideration and shall exclude any offer to subscribe for or acquire any share, debt instrument or other security in the capital of any Drag Buyer made to a Shareholder which is in addition to the consideration proposed to be paid by the Drag Buyer for all the Equity Shares.
- 12.6 The amount of consideration (if any) to be paid by the Drag Buyer for the Dragged Shares (as determined in accordance with Article 12.4) shall be paid in cash or in such other form

of non-cash consideration with an equivalent cash value as shall be elected by the Drag Buyer (with Voting Majority Consent).

- 12.7 Completion of the sale and purchase of the Dragged Shares shall take place on the same date and at the same time and place as the sale of the Dragging Shareholders' Equity Shares to the Drag Buyer (or as the Drag Buyer may direct) unless all of the Dragged Shareholders and the Dragging Shareholders otherwise agree, in which case completion of the sale and purchase of the Dragged Shares shall take place on a date that is no more than 20 Business Days later.
- 12.8 On or before the Drag Completion Date each Dragged Shareholder shall deliver to the Company:
- 12.8.1 duly executed transfers of the Dragged Shares registered in its name in favour of the Drag Buyer (or as the Drag Buyer directs in the Drag Along Notice);
  - 12.8.2 the relevant share certificate(s) in respect of those Dragged Shares (or an indemnity in a form reasonably satisfactory to the Directors for any lost certificates);
  - 12.8.3 a duly executed sale agreement (in a form agreed by the Dragging Shareholders); and
  - 12.8.4 any other related documents required by the Voting Majority to be executed by the Dragged Shareholders, including any non-competition, non-solicitation, confidentiality agreements, escrow agreements, consents, assignments, releases, waivers and indemnities.
- 12.9 Subject to compliance with Article 12.8 and to the extent only that the Drag Buyer has put the Company in the requisite cleared funds or other form of consideration, the Company shall on the Drag Completion Date pay, on behalf of the Drag Buyer, to each of the Dragged Shareholders in respect of its Dragged Shares the consideration (if any) it is due in accordance with Articles 12.4 to 12.6, less any amount that is to be deducted from such consideration pursuant to Article 12.11. Payment to the Dragged Shareholder shall be made to the relevant Dragged Shareholder's last known address on the Company's register of member. The Company's receipt of the requisite cleared funds or other form of consideration from the Drag Buyer shall be a good discharge to the relevant Drag Buyer. Pending compliance by each Dragged Shareholder with its obligations in Article 12.8, the Company shall hold the funds or other form of consideration received from the Drag Buyer in respect of the Dragged Shares (less any amount that is to be deducted from such funds pursuant to Article 12.11) on trust for the Dragged Shareholders, without any obligation to pay interest.
- 12.10 Unless and to the extent that the Voting Majority otherwise direct the Company in writing, upon any person (other than the Drag Buyer or its nominee), following the date of service of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding in the Company) including pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares ("New Shareholder"):

- 12.10.1a Drag Along Notice on the same terms as the previous Drag Along Notice shall be deemed to have been served upon the New Shareholder, who shall then be bound to sell and transfer the legal and beneficial title to all such Shares acquired by him (free from all liens, charges and encumbrances and together with all rights attaching to them and with full title guarantee) to the Drag Buyer (or as the Drag Buyer may direct); and
- 12.10.2the provisions of this Article 12 shall apply (with necessary modifications) to the New Shareholder as if it were a Dragged Shareholder, except that, where completion of the sale and purchase of the Dragged Shares to the Dragged Buyer (or as the Drag Buyer may direct) has already taken place, the completion date of the sale and purchase of the Shares shall take place on such date as the Drag Buyer shall determine.
- 12.11 The reasonable transaction fees, costs and expenses incurred by the Dragging Shareholders and the Dragged Shareholders that (as determined by the Voting Majority) are attributable to the transfer of Shares made in accordance with this Article 12 shall be borne by each of the Dragging Shareholders and the Dragged Shareholders pro rata to their holdings of Shares being transferred. An amount equal to the Dragged Shareholders' proportionate share of such fees, costs and expenses shall, if the Voting Majority so requires, be deducted by the Company from the amount of consideration which the Dragged Shareholders are entitled to receive for their Dragged Shares (as determined in accordance with Article 12.4) and shall be used to pay their proportionate share of such fees, costs and expenses.
13. TAG ALONG
- 13.1 This Article 13 shall not apply to a Proposed Sale in respect of which a Drag Along Notice has been served.
- 13.2 If one of more Shareholders ("Proposed Sellers") proposes to transfer to any person (whether through a single transaction or a series of related transactions) such number of Equity Shares which would, if registered, result in such person (together with its Connected Persons and any other persons with whom it is Acting in Concert) (together the "Tag Buyer") obtaining the ownership of more than 50 per cent in nominal value of the Equity Shares (including any Equity Shares held as treasury shares) ("Proposed Sale"), the Proposed Sellers shall not be entitled to transfer such Equity Shares, and no such Equity Shares shall be capable of being purchased or transferred, unless the Tag Buyer (or the Company in its capacity as agent for the Tag Buyer) shall have offered ("Tag Offer") in accordance with this Article 13 to purchase from each of the other Equity Shareholders, other than any Excluded Equity Shareholders, (not being a Tag Buyer) ("Other Shareholders") such proportion of the Equity Shares registered in their name ("Tagged Shares") as is equal to the proportion which the Equity Shares that the Proposed Sellers are proposing to transfer to the Tag Buyer bears to the Proposed Sellers' total holding of Equity Shares.



- 13.3 A Tag Offer shall be made by notice specifying:
- 13.3.1 the identity of the Tag Buyer;
  - 13.3.2 the number of Equity Shares that the Proposed Sellers are proposing to transfer to the Tag Buyer and the proportion that this bears to the Proposed Sellers' total holding of Equity Shares and the number of Equity Shares that the Tag Buyer is therefore offering to purchase from the Other Shareholders;
  - 13.3.3 the amount and form of consideration and the proportion of cash and/or securities that the Tag Buyer is proposing to pay for each of those Equity Shares (determined in accordance with Article 13.4);
  - 13.3.4 the proposed, place, date and time of transfer;
  - 13.3.5 a time (being not less than 10 Business Days) within which the offer, if not accepted, shall be deemed to be declined; and
  - 13.3.6 to the extent not set out in the accompanying documents, any other terms and conditions of sale on which the Tag Buyer is proposing to purchase the Proposed Sellers' and the Accepting Shareholders' Equity Shares,
- and shall be accompanied by all documents required to be executed by the Other Shareholders if they accept the Tag Offer.
- 13.4 The amount and form of consideration and the proportion of cash and/or securities which the Tag Buyer shall offer and is proposing to pay for each of the Tagged Shares shall be the same as that offered and to be paid for each of the Proposed Sellers' Equity Shares being transferred to the Tag Buyer pursuant to the Proposed Sale.
- 13.5 Each Other Shareholder who accepts the Tag Offer within the offer period ("Accepting Shareholder") shall be required to:
- 13.5.1 transfer the legal and beneficial title to all of his Tagged Shares to the Tag Buyer free from all liens, charges and encumbrances and together with all rights attaching to them and with full title guarantee;
  - 13.5.2 subject to Article 13.4, sell his Tagged Shares on the same terms and conditions (including the same representations, warranties, covenants, undertakings, indemnities and requirements relating to contributing to any retention) as are to be given to and by the Proposed Sellers pursuant to the Proposed Sale;
  - 13.5.3 deliver to the Tag Buyer the share certificates for his Tagged Shares (or an indemnity in a form reasonably satisfactory to the Directors for lost certificates) and a duly executed sale agreement (in a form agreed by the Proposed Sellers) setting out the relevant terms and conditions of sale; and

- 13.5.4 pay his proportionate share of such fees, costs and expenses that are to be borne by the Accepting Shareholders pursuant to Article 13.8.
- 13.6 Completion of the sale and purchase of any Tagged Shares in respect of which the Tag Offer has been accepted shall be conditional upon, and shall take place on the same date and at the same time and place as, the completion of the Proposed Sale (unless any of the Accepting Shareholders and the Tag Buyer (with Investor Consent) agree otherwise), save that if any Accepting Shareholder fails to comply with his obligations under Article 13.5 on or before the completion of the Proposed Sale:
- 13.6.1 the completion of the Proposed Sale may be made without the completion of the sale and purchase of that Accepting Shareholder's Tagged Shares (provided that it shall be on no more favourable terms and conditions to the Proposed Sellers than those stated in the original Tag Offer); and
- 13.6.2 the Tag Buyer shall not be under any further obligation to purchase those Tagged Shares.
- 13.7 If a Compulsory Transfer Notice is served on an Accepting Shareholder before the transfer of that Accepting Shareholder's Tagged Shares to the Tag Buyer, the Tag Buyer shall be entitled (with Voting Majority Consent) to either:
- 13.7.1 continue with the purchase of those Tagged Shares, subject to changing the price to the price determined in accordance with Article 10 (Compulsory Transfers - Sale Price), in which case the Compulsory Transfer Notice shall automatically be revoked upon the completion of the sale and purchase of such Tagged Shares to the Tag Buyer; or
- 13.7.2 continue with the completion of the Proposed Sale without the completion of the sale and purchase of those Accepting Shareholder's Tagged Shares, in which case the Tag Buyer shall not be under any further obligation to purchase those Tagged Shares and the Compulsory Transfer Notice shall continue to apply.
- 13.8 The reasonable transaction fees, costs and expenses incurred by the Proposed Sellers and the Accepting Shareholders that (as determined by the Voting Majority) are attributable to the transfer of Shares made in accordance with this Article 13 shall be borne by each of the Proposed Sellers and the Accepting Shareholders pro rata to their holdings of Shares being transferred.
14. GENERAL MEETINGS
- 14.1 No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted each being a member or a proxy for a member, or a duly authorised representative of a corporation, shall be a quorum. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting if convened on the requisition of members will be dissolved. In any other case, the meeting will stand adjourned to the same day in the next week at the same time and place or to such time and

place as the directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting will be dissolved.

14.2 The following provisions of this article apply if the company has only a single member:

14.2.1 Regulation 40 shall be modified by the insertion at the end of that regulation of the following proviso “, provided that if the company has only a single member, the quorum shall be one such person”, and

14.2.2 if the single member takes any decision which may be taken by the company in general meeting and which has effect as if agreed by the company in general meeting, the single member shall (unless the decision is taken by way of a written resolution) provide the company with a written record of that decision. However, failure to do so shall not affect the validity of such decision.

14.3 Regulation 37 shall be modified by the deletion of the second sentence thereof and by the addition at the end of the regulation of the following sentence “If the company has only a single member, such member shall be entitled at any time to call a general meeting”.

14.4 Regulation 41 shall be modified by the addition at the end of that regulation of the following sentence: “If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved provided that if the company has only a single member, the preceding provisions of this regulation as to adjournment shall not apply and, if within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall be dissolved and shall not be adjourned”.

14.5 A resolution in writing in accordance with Regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient for the purposes of that regulation. The directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of proceedings of a general meeting of the company and to be signed by a director or the secretary of the company.

14.6 At any general meeting of the company, a poll may be demanded by one or more members present in person or by proxy and having the right to vote at the meeting and sub-paragraphs (b), (c) and (d) of Regulation 46 shall be modified accordingly.

## 15. APPOINTMENT AND REMOVAL OF DIRECTORS

15.1 Unless otherwise determined by ordinary resolution the minimum number of directors shall be one and a sole director shall have and exercise all the powers, duties and discretions conferred on or vested in the directors by these articles, and Regulations 64 and 89 shall be modified accordingly.

15.2 The directors shall not be required to retire by rotation.

- 15.3 Subject as otherwise provided by these articles, the company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 15.4 The directors may also appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these articles as the maximum number of directors. A director so appointed shall not be subject to retirement or re-election at any annual general meeting.
- 15.5 In addition and without prejudice to the provisions of sections 303 and 304 of the Act, the company may by extraordinary resolution remove any director before the expiration of his period of office and may, if thought fit, by ordinary resolution appoint another person in his stead. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
16. POWERS AND PROCEEDINGS OF DIRECTORS
- 16.1 Any director or member of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 16.2 Subject to the Act, a director may vote at a meeting of directors or of a committee of directors (and may be counted in the quorum present at any such meeting) on any resolution concerning any matter in which he has, directly or indirectly, an interest which conflicts or may conflict with the interests of the company provided that at or prior to such meeting he complies in respect of such a matter with the disclosure provisions of section 317 of the Act compliance with section 317 of the Act shall be sufficient disclosure by a director for the purpose of Regulations 85 and 86.
- 16.3 The directors may exercise all the powers of the company conferred by the memorandum to pay and/or provide pensions, annuities, gratuities, superannuation and other allowances, benefits, advantages, facilities and services both for persons who are or have been directors of, or who are or have been employed by the company or by any subsidiary or associated company of the company and their dependants and relatives and the directors are entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers and Regulation 87 does not apply to the company.
- 16.4 The directors shall be entitled to such remuneration (if any) by way of fee as shall from time to time be determined by resolution of the directors and the directors (including alternate directors) shall also be entitled to be paid their reasonable travelling, hotel and other expenses of attending and returning from meetings of the company or otherwise incurred while engaged on the business of the company or in the discharge of their duties and Regulations 82, 83 and 84 shall be amended accordingly.

- 16.5 Any director who, by request of the directors, performs special services for any purpose of the company which in the opinion of the directors is outside the normal scope of such director's duties shall receive such extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine, which shall be charged as part of the company's ordinary revenue expenses.

## 17. BORROWING POWERS

The directors may exercise all the powers of the company to borrow or raise money and to mortgage or charge its undertaking, property and/or uncalled capital or any part thereof without limit and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt liability or obligation of the company or of any third party.

## 18. ALTERNATE DIRECTORS

The following provisions apply to the company by way of variation of Regulations 65 to 69 inclusive:

- 18.1 the appointment of an alternate director shall automatically terminate on the happening of any event which, if he were a director, would cause him to vacate the office of director or if his appointor shall cease for any reason to be a director otherwise than by retiring and being re-appointed at the same meeting;
- 18.2 an alternate director shall be repaid by the company such expenses as might properly be repaid to him if he had been a director. An alternate director shall be entitled to be indemnified by the company to the same extent as if he were a director;
- 18.3 a director or any other person may act as alternate director to represent more than one director and an alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director and Regulation 88 shall be modified accordingly.

## 19. NOTICES

- 19.1 Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice to a director need not be in writing.
- 19.2 In Regulation 112 the words "or by telex or facsimile transmission" 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 prepaid envelope". The provisions of Regulation 112 as so varied shall (mutatis mutandis) apply also to notices to directors.
- 19.3 Where a notice is sent by first class post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted. A notice sent by telex or facsimile transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed.