

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF CARRINGWOOD LIMITED

(Incorporated in England and Wales under registered no. 02736134)

(Adopted by special resolution passed on 12<sup>th</sup> May 2021)

1 INTERPRETATION

1.1 In these Articles:

Act means the Companies Act 2006;

Articles means these articles of association of the Company as constituted under Article 2.1;

Board means the board of directors of the Company from time to time;

Family Member means, in relation to a Founder, their spouse and/or any one or more of their children (including step-children);

Family Trust means, in relation to a Founder, a trust or settlement set up wholly for the benefit of that person and/or their Family Members;

Founder means a person who is a holder of Ordinary Shares from time to time;

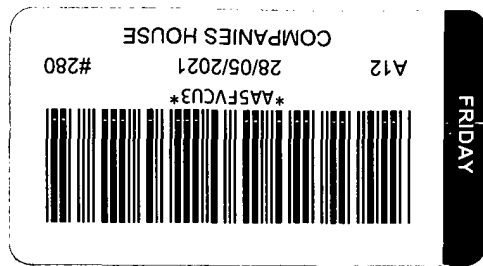
Founder Consent or Founder Direction means the giving of a written consent or direction by the holders of not less than 75% in nominal value of the Ordinary Shares in issue from time to time;

Independent Expert means a partner of at least 10 years' standing at a leading UK firm of accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales;

Model Articles means the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as at the date of adoption of these Articles;

Ordinary Share means an ordinary share of £1 in the capital of the Company designated as an Ordinary Share;

A Ordinary Share means an ordinary share of £1 in the capital of the Company designated as an A Ordinary Share;



*[Handwritten signature]*

**Sale** means the sale of the whole of the issued equity share capital of the Company to a single buyer or to one or more buyers as part of a single transaction;

**Sale Proceeds** means the value of the consideration payable as the result of completion of a Sale;

**Share** means a share in the capital of the Company;

**Shareholder** means any holder of any Share from time to time; and

**Threshold Price** means £3,300,000.

- 1.2 Words or expressions defined in the Model Articles and words or expressions defined in the Companies Acts shall bear the same meaning in these Articles unless the context otherwise requires.
- 1.3 Any reference to a statutory provision shall be deemed to include a reference to any re-enactment or modification thereof for the time being in force.
- 1.4 A reference in these Articles to an **Article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Headings shall not affect the interpretation of these Articles.

## **2 ADOPTION OF THE MODEL ARTICLES**

- 2.1 The Model Articles shall apply to the Company, except insofar as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

## **3 DIRECTORS**

### *Quorum for directors' meetings*

- 3.1 Articles 11(2) and (3) of the Model Articles shall not apply to the Company.
- 3.2 If and for so long as the Company has a sole director the quorum for the transaction of business at a meeting of directors is one director. At any other time the quorum shall be two directors.
- 3.3 If and for so long as the Company has a sole director he may exercise all the powers vested in the directors by these Articles.

## **4 DIRECTORS' INTERESTS**

- 4.1 Subject to the provisions of these Articles and the Act and provided a director shall have disclosed his interest in accordance with the Act, a director:

- 4.1.1 notwithstanding his office may be a party to, or otherwise interested in, any transaction, contract, arrangement or agreement with the Company or in which the Company is interested; and
- 4.1.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- 4.1.3 shall be entitled to vote in respect of any transaction, contract, arrangement or agreement with the Company in which he is in any way, whether directly or indirectly, interested and if he does so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.
- 4.2 For the purpose of this Article, an interest of a person who is, for any purpose of the Act, connected with a director (which shall, without limitation, include any person (or any other person connected with such person) who pursuant to any agreement in writing made between all the members for the time being shall have appointed or nominated such director) shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise. Articles 14(1)–(5) of the Model Articles shall not apply.
- 4.3 The Company may by ordinary resolution ratify any transaction or arrangement which has not been properly authorised by reason of a contravention of these Articles.
- 5 SHARE CAPITAL**
- 5.1 The Ordinary Shares and A Ordinary Shares shall constitute different classes of shares for the purposes of the Act and, save as otherwise provided in these Articles, the Ordinary Shares and A Ordinary Shares shall rank *pari passu* in all respects.
- 5.2 The Ordinary Shares shall have full voting rights.
- 5.3 The A Ordinary Shares shall have no voting rights.
- 5.4 The directors may in their absolute discretion recommend different dividend amounts in respect of each of the separate classes of Shares.
- 5.5 The rights of the Ordinary Shares and the A Ordinary Shares to participate in a return of capital are as set out in Article 9.
- 5.6 The Company may from time to time by special resolution issue, increase, sub-divide, consolidate or redenominate its share capital in accordance with the Act, and Article 22(1) of the Model Articles shall be varied accordingly.
- 5.7 Article 21 of the Model Articles shall not apply to the Company.
- 6 FURTHER ISSUES OF SHARES: AUTHORITY**
- 6.1 Subject to the provisions of this Article 6, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company

to:

6.1.1 offer or allot;

6.1.2 grant rights to subscribe for or to convert any security into; or

6.1.3 otherwise deal in, or dispose of,

any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.

6.2 The authority referred to in Article 6.1:

6.2.1 shall be limited to a maximum nominal amount of £1,000 of Ordinary Shares and £1,000 of A Ordinary Shares or such other amount or share classes as may from time to time be authorised by the Company by ordinary resolution;

6.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

6.2.3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

## **7 PROHIBITED SHARE TRANSFERS**

7.1 In these Articles, a reference to the transfer of a Share shall mean either or both:

7.1.1 the transfer of either or both of the legal and beneficial ownership in the Share; and

7.1.2 the grant of an option to acquire either or both of the legal and beneficial ownership in the Share.

7.2 The following shall be deemed, without limitation, to be a transfer of a Share:

7.2.1 any sale or other disposition of any legal or equitable interest in a Share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing;

7.2.2 any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or issue of any Share that such Share be allotted or issued to some person other than themselves; and

7.2.3 any grant of a legal or equitable mortgage or charge over any Share.

7.3 Any person who holds, or becomes entitled to, any A Ordinary Share shall not, without Founder Consent, effect a transfer of such A Ordinary Shares, except in accordance with Article 8 (Permitted Share Transfers), Article 10 (Drag Along) or Article 11 (Tag Along).

- 7.4 The Company shall, upon receiving an Founder Direction, request any Shareholder who has made, or is proposing or required to make, a transfer of Shares, to provide to the Company information or evidence as to the Shareholder's compliance with Article 7.3 in respect of such transfer. If such information or evidence is not provided to the Board within five Business Days of the request being made, then the Board shall forthwith upon receipt of a Founder Direction notify the relevant Shareholder (**Defaulting Shareholder**) that a breach of the transfer provisions of these Articles is deemed to have occurred, in which case:
- 7.4.1 the Company shall refuse to register any transfer of the Shares which the Defaulting Shareholder holds or to which they are entitled and any Shares formerly held by them which have been transferred in breach of Article 7.3 or in accordance with Article 8 (Permitted Share Transfers) (**Affected Shares**), unless Founder Consent to allow such registration is provided;
- 7.4.2 the Affected Shares, and any further Shares issued pursuant to the exercise of a right attaching to the Affected Shares or in pursuance of an offer made to the holder of the Affected Shares, shall cease to confer any rights:
- (a) to vote (in any general meeting or class meeting); or
  - (b) to receive dividends or other distributions (other than the nominal value of the Affected Shares upon a return of capital),
- unless such rights are reinstated by the Board (with Founder Consent) or, if earlier, upon the completion of the transfer as contemplated by Article 7.4.3; and
- 7.4.3 the Defaulting Shareholder may be required at any time following such notice to transfer (or procure the transfer of) some or all of the Affected Shares to such person(s) at a price determined by the Board with Founder Consent or as directed by an Founder Direction.

## **8 PERMITTED SHARE TRANSFERS**

- 8.1 Notwithstanding the provisions of Article 7 (Prohibited Share Transfers) but subject to Article 7.3:
- 8.1.1 any Shareholder who is a trustee of a Family Trust may at any time transfer any Share which they hold in that capacity to:
- (a) the new or remaining trustees of the Family Trust upon any change of trustees; and
  - (b) any of their Family Members on their becoming entitled to the same under the terms of the Family Trust;
- 8.1.2 any Shareholder holding Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Shareholder was a permitted transferee under the provisions of this Article may at any time transfer any Share to the person who originally transferred such Shares (or to any other permitted transferee of such original transferor); and

8.1.3 any Shareholder may transfer any Shares to any person with Founder Consent.

8.2 Subject to Article 7.4, the Company shall be obliged to register any transfer made pursuant to the above provisions.

## 9 RETURN OF CAPITAL

9.1 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any Shares) (a **Capital Return**), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

9.1.1 first, in paying to each holder of Shares in respect of each Share of which it is the holder, a sum equal to the nominal value thereof; and

9.1.2 subject to Article 9.3, the balance of such assets (if any) (the **Balance**) shall be distributed amongst the holders of the Shares at the time of the capital return as follows:

(a) the Balance shall first be paid to the holders of Ordinary Shares pro rata to the number of shares held by each of them, until the earlier of: (a) an aggregate amount equal to the Threshold Price being distributed from the Balance; and (b) the Balance being fully distributed;

(b) if any of the Balance remains unpaid following any payment pursuant to Article 9.1.2(a), then all of the remaining Balance will be paid to holders of A Ordinary Shares, pro rata to the number of shares held by each of them.

9.2 Subject to Article 9.3, in the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale, upon written notice being given to the selling Shareholders, the selling Shareholders immediately prior to such Sale shall procure that the Sale Proceeds (whenever received) shall be placed in a designated trustee account and shall be distributed amongst such selling Shareholders in such amounts and in such order of priority as would be applicable on a Capital Return (pursuant to Article 9.1).

9.3 In the event of a Sale:

9.3.1 if the payment of any part of the Sale Proceeds is deferred so that it is only due and payable on date(s) falling after the completion of the Sale and is also contingent on certain events or targets being met (a **Deferred Contingent Instalment**), the provisions of Article 9.1 shall be applied at the time of completion in respect of the Sale Proceeds to be paid on completion and repeated each time a deferred contingent instalment becomes unconditionally due and payable. Each time the provisions of Article 9.1 are reapplied, when calculating the amount due to Shareholders, the Sale Proceeds shall include the sum of all consideration that has already been paid and the relevant Deferred Contingent Instalment being paid at that time, provided that account shall be taken of amounts already received by Shareholders, or not received (as the case may be), in respect of previous payments of consideration; and

- 9.3.2 if the payment of any part of the Sale Proceeds is deferred such that it is only unconditionally due and payable on date(s) falling after completion of the Sale (a **Deferred Instalment**), the provisions of Article 9.1 shall be applied on completion in respect of the total amount of the Sale Proceeds. Shareholders shall be entitled to share in each payment of the Sale Proceeds (including the Deferred Instalments) pro-rata to their overall entitlement to the Sale Proceeds, as determined in accordance with Article 9.2 as and when they become payable.
- 9.3.3 for the purposes of calculating the value of the Sale Proceeds when distributing these in accordance with Article 9.2, if any part of the Sale Proceeds comprises the issue of securities (not accompanied by a cash alternative):
- (a) if the securities will rank pari passu with a class of securities already traded on a recognised investment exchange, their value shall be treated as equal to the value of such securities traded on such exchange; and
  - (b) if the securities will not so rank, their value shall be determined by an independent expert.
- 9.4 If, prior to a Sale or Capital Return a dividend is paid, or the Company sells all or any part of its business or acquires another business, or in any other circumstances which the Board considers it to be appropriate, the Board may, in its discretion and with Founder Consent, determine that the Threshold Price should be treated as adjusted for the purposes of the operation of this Article 9, in order to reflect the fact that but for that event, the Balance would have been a greater or lesser amount and certain Shares may or may not have otherwise been entitled to a share of the Balance. In exercising its discretion the Board shall act fairly and reasonably and shall have regard to the advice of an Independent Expert, which shall also advise on the manner and extent of any such adjustment.
- 10 DRAG ALONG**
- 10.1 If any Shareholder receives an offer in writing from a bona fide third party (**Third Party**) to purchase the entire equity share capital in the Company not already owned by the Third Party (**Third Party Offer**) and the holders of at least 75% of the Ordinary Shares accept the Third Party Offer (**Accepting Shareholders**), the Accepting Shareholders are entitled to issue to the remaining Shareholders (**Other Shareholders**) written notice (**Drag Along Notice**) requiring the Other Shareholders to sell to the Third Party all of the Other Shareholders' Shares upon the terms and conditions specified in the Drag Along Notice.
- 10.2 Subject to Article 10.6, the terms on which the Accepting Shareholders require the Other Shareholders to sell their Shares must be no less favourable than the terms on which the Accepting Shareholders are selling their Shares to the Third Party.
- 10.3 Subject to the remainder of this Article 10, the Drag Along Notice must specify:
- 10.3.1 the details of the Third Party;
  - 10.3.2 the price payable for each Share and other consideration (if any) to be received (directly or indirectly) by the Accepting Shareholders; and

- 10.3.3 any other material terms upon which the Other Shareholders' Shares shall be purchased pursuant to the Drag Along Notice (including, in relation to A Ordinary Shares, the price payable for each such Share as determined in accordance with article 10.6).
- 10.4 If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the Shares held by them 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 they think fit to execute, the necessary transfer(s) and indemnities on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Third Party (or their nominee) and register such Third Party (or their nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 10.5 The Other Shareholders are not obliged to sell their Shares in accordance with this Article 10 if the Accepting Shareholders do not complete the sale of all their Shares to the Third Party on the same terms and conditions set out in the Drag Along Notice.
- 10.6 Under the terms of the Drag Along Notice, the consideration to be paid to any A Ordinary Shareholders shall be determined by the third party in discussion with the Board, subject to Founder Consent, and shall be applied in accordance with the provisions of Article 9.1.2.
- 10.7 For the avoidance of doubt, the Third Party Offer shall not require any A Ordinary Shareholder to give any warranties, representations, indemnities, covenants or other assurances in respect of the A Ordinary Shares that Shareholder holds, other than those which relate to or are in respect of title to the number of A Ordinary Shares to which the Third Party Offer relates and that Shareholder's capacity to enter into the relevant agreement for the sale of those A Ordinary Shares.
- 10.8 Where any person becomes a shareholder of the company (a **New Member**) pursuant to the exercise of a pre-existing option or other right to acquire Shares after a Drag Along Notice has been served, the New Member shall be bound to sell and transfer all Shares acquired by it to the Third Party. The provisions of Articles 10.1 to 10.7 shall apply (with the necessary changes) to the New Member, save that if its Shares are acquired after the sale of the other Shareholders' Shares has been completed, completion of the sale of the New Member's Shares shall take place immediately after the New Member's acquisition of such Shares.
- 11 TAG ALONG**
- 11.1 If at any time one or more Shareholders (**Proposed Sellers**) propose to sell to any person (**Proposed Buyer**), in one or a series of related transactions, such number of Shares which when registered would result in that person (together with persons connected or acting in concert with them) holding or increasing their holding to 50% or more of the issued equity share capital of the Company other than the A Ordinary Shares (**Proposed Sale**), the Proposed Sellers shall give written notice (**Tag Along Notice**) to the other holders of Shares of the Proposed Sale at least 10 Business Days prior to the proposed date of completion thereof.



11.2 The Tag Along Notice must specify:

11.2.1 the details of the Proposed Buyer;

11.2.2 the sale price for each Share and other consideration (if any) to be received (directly or indirectly) by the Proposed Sellers; and

11.2.3 any other material terms upon which the Shares are to be purchased.

11.3 The Proposed Sale may not be completed unless the Proposed Buyer has unconditionally offered to buy all the other issued Shares (other than any Shares already owned by the Proposed Buyer or persons connected or acting in concert with them) on the same terms and conditions as apply to the Proposed Sale. Such offer shall remain open for acceptance for not less than 21 days.

11.4 The provisions of this Article 11 shall not apply to any Proposed Sale which is a permitted transfer under Article 8 or which is to take place pursuant to a Third Party Offer under Article 10.

## 12 PROCEEDINGS AT GENERAL MEETINGS

If and for so long as the Company has only one member that member present in person or by proxy or, where that member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the Company or of the holder of any class of shares. Article 38 of the Model Articles shall be modified accordingly.

## 13 DIRECTORS' GRATUITIES AND PENSIONS

The directors on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities, gratuities and superannuation or other allowances and benefits in favour of any person including any director or former director or the relations, connections or dependants of any director or former director. A director or former director shall not be accountable to the Company or the members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company. Article 19(5) of the Model Articles shall not apply.

## 14 COMPANY'S LIEN OVER SHARES

14.1 The Company has a lien (the **company's lien**) over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

14.2 The Company's lien over a share:

- a) takes priority over any third party's interest in that share; and
- b) extends to any dividend or other money payable by the Company in respect of that share.

- 14.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

**15 NOTICES**

- 15.1 Any notice or other document (including a share certificate or other document of title) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid letter addressed to that member at his registered address as appearing in the register of members (whether or not that address is within the United Kingdom) and sent by first class post, or by delivering it to or leaving it at such registered address, addressed as aforesaid, or (except for a share certificate or other document of title) by giving it using electronic communications to an address notified to the Company for that purpose by the member, or by any other means, provided such other means have been authorised in writing by the member concerned. For the avoidance of doubt, the Company may not send or supply a notice or other document or instrument by making it available on a website. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Any notice or other document served or delivered in accordance with these Articles shall be deemed duly served or delivered notwithstanding that the member is then dead or bankrupt or otherwise under any legal disability or incapacity and whether or not the Company had notice thereof. Any such notice or other document, if sent by first class post, shall be deemed to have been served or delivered 48 hours after it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any such notice or other document sent by an electronic communication shall be deemed to have been served 48 hours after it was sent and proof that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given or document sent. In calculating a period of hours for the purposes of this Article, no account shall be taken of any part of a day that is not a working day.
- 15.2 Notice of every general meeting shall be given in any manner authorised by or under these Articles to all members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company provided that any member may in writing waive notice of any meeting either prospectively or retrospectively and if he does so it shall be no objection to the validity of such meeting that notice was not given to him.