

Company number: 03577754

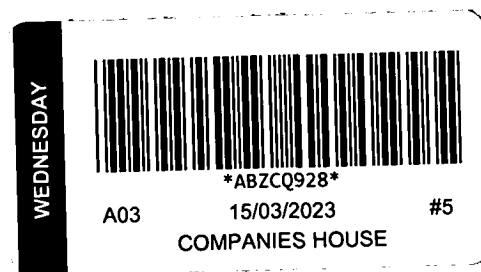
THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

WATERCO LIMITED



CONTENTS

CLAUSE

1.	Interpretation.....	2
2.	Directors to take decisions collectively	5
3.	Directors' written resolutions	5
4.	Unanimous decisions.....	6
5.	Calling a directors' meeting.....	6
6.	Quorum for directors' meetings.....	6
7.	Casting vote.....	7
8.	Transactions of arrangements with the Company.....	7
9.	Conflicts of interest	8
10.	Records of decisions to be kept	9
11.	Number of directors.....	9
12.	Appointment of directors.....	9
13.	Termination of director's appointment	10
14.	Secretary.....	10
15.	Directors' expenses	10
16.	Rights and restrictions attached to shares.....	11
17.	Matters requiring special consent.....	11
18.	Lien on shares.....	12
19.	Transfer of shares - general.....	12
20.	Permitted transfers	13
21.	Voluntary transfers – pre-emption rights	13
23.	Valuation of shares.....	19
24.	Drag along	20
25.	Tag along	22
26.	Procedure for declaring dividends	22
27.	Poll votes	23
28.	Proxies	23
29.	Means of communication to be used.....	24
30.	Indemnity	25
31.	Insurance	26

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
WATERCO LIMITED
(‘Company’)
(Adopted by special resolution on 9th March 2023)

Introduction

1. Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

Act: the Companies Act 2006.

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).

Articles: the company's Articles of association for the time being in force.

Bad Leaver: an Employee who ceases to be an Employee as a consequence of that person's dismissal as an Employee for cause, where "cause" shall mean: (i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct including but not limited to bringing the name of the Company into disrepute; and/or (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.

Board: the board of directors from time to time of the Company.

Business Day: a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

Compulsory Transfer Notice: means a transfer notice deemed to be given pursuant to Article 21.1 or Article 21.2.

Control: has the meaning given by section 995 of the Income Tax Act 2007.

Controlling Interest: means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

Company number: 03577754

eligible director: a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

Departing Employee: an Employee who ceases to be a director or employee of the Company.

Employee: an individual who is, or has been, a director and/or an employee of the Company.

Employees' Share Scheme: has the meaning given in section 1166 of the Act.

Group: means the Company and any other company which is for the time being both a subsidiary of the Company and under the Control of the Company.

HMRC: means Her Majesty's Revenue and Customs.

ITEPA: means the Income Tax (Earnings and Pensions) Act 2003.

Model Articles: the model Articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

Permitted Transferee: any spouse, parent or child of the Shareholder.

Share Incentive Plan: means a share incentive plan approved by HMRC pursuant to section 488 and Schedule 2 of ITEPA.

Transfer Notice: has the meaning under Article 21.1.

Transfer Price: means the price per share at which Transfer Shares may be sold and transferred as determined in accordance with these Articles.

Transfer Shares: means shares which are the subject of a Transfer Notice.

Transferor: means a person wishing, or obliged, to offer Shares for sale.

Trust: means the Waterco Employee Ownership Trust established by the Company.

Trust Deed: means the trust deed made between (1) the Company and (2) Waterco (Trustee) Limited which established the Trust (as amended from time to time).

Trustee: means the trustee or trustees for the time being of the Trust (and references to the Trustee shall be construed as referring only to such person or persons acting in their capacity as trustee of that trust).

Valuers: (i) the accountants of the Company for the time being, unless they are unable or refuse to act, in which case (ii) an independent firm of accounts jointly appointed by the Seller and the Board or, in the absence of agreement as to the identity of the Valuers, (iii) an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 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 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.7 For the purposes of these Articles, a person shall not be treated as ceasing to hold office or employment within the Group unless and until he or she is no longer an employee or director of any member of the Group.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.10 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.11 Articles 7, 8, 9, 11, 13, 14(1), (2), (3) and (4), 17, 18, 20, 27(2), 30, 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.12 In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 12," after the word "But".

Company number: 03577754

- 1.14 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.15 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

DIRECTORS

2. Directors to take decisions collectively

- 2.1 The general rule about decision-making by directors is that any decision of the directors must be taken as a majority decision at a meeting or as a directors' written resolution in accordance with Article 3 (Directors' written resolutions) or otherwise as a unanimous decision taken in accordance with Article 4 (Unanimous decisions).
- 2.2 If:
 - (a) the Company only has one director for the time being, and
 - (b) no provision of the Articles requires it to have more than one director,the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.
- 2.3 Subject to the Articles, each director participating in a directors' meeting has one vote.

3. Directors' written resolutions

- 3.1 Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors).
- 3.2 Notice of a proposed directors' written resolution must indicate:
 - (a) the proposed resolution; and
 - (b) the time by which it is proposed that the directors should adopt it.
- 3.3 A proposed directors' written resolution is adopted when a majority of the eligible directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting.

- 3.4 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.

4. Unanimous decisions

- 4.1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

5. Calling a directors' meeting

- 5.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 5.2 Notice of any directors' meeting must indicate:
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 5.3 Notice of a directors' meeting must be given to each director, but need not be in writing.

6. Quorum for directors' meetings

- 6.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 6.2 Subject to Article 6.3, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors but it must never be less than two directors, and unless otherwise fixed it is two. If and so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these Articles and accordingly the quorum for the transaction of business in these circumstances shall be one.

- 6.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 9 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

7. Casting vote

- 7.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chair or other director chairing the meeting has a casting vote.
- 7.2 Article 7.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chair or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

8. Transactions of arrangements with the Company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he or she is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;
- (d) may act by himself or herself, or his or her firm in a professional capacity for the company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he or she may otherwise agree, be accountable to the company for any benefit which he or she (or a person connected with him or her (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any

such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

9. Conflicts of interest

9.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his or her duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

9.2 Any authorisation under this Article 9 will be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.

9.3 Any authorisation of a Conflict under this Article 9 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his or her involvement in the Conflict and otherwise than through his or her position as a director of the company) information that is confidential to a third party, he or she will not be obliged to disclose that information to the company,

or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and

- (f) permit the Interested Director to absent himself or herself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

9.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

9.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

10. Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

11. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.

12. Appointment of directors

12.1 Subject to the provisions of this Article 12, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

- 12.2 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 12.3 For the purposes of Article 12.2, where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

13. Termination of director's appointment

A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

14. Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

15. Directors' expenses

The Company may pay any reasonable expenses which the directors and the secretary (if any) properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors,
- (b) general meetings, or

Company number: 03577754

(c) separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

SHARES

16. Rights and restrictions attached to shares

16.1 The share capital of the Company is divided into the following classes of shares: A ordinary, B ordinary, C ordinary, D ordinary, E ordinary, F ordinary, G ordinary, H ordinary.

16.2 All classes of ordinary shares have equal voting rights and each shareholder shall be entitled to receive notice of, to attend, to speak and to vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

16.3 On return of assets on liquidation, a reduction of capital or otherwise, the surplus assets of the Company remaining after payment of liabilities shall be applied as follows:

- (a) paying the holders of all shares an amount per share equal to the sum paid up or credited as paid up thereon; and
- (b) the balance of any such assets shall belong to and be distributed amongst all shareholders of all classes in proportion to the sum paid up or credited as paid up thereon.

17. Matters requiring special consent

The following matters shall each require either the prior consent in writing of members together holding shares representing at least 75 per cent of the issued equity share capital of the Company or the passing of a special resolution of the members of the Company at a general meeting of the Company:

- (a) the grant of any right to subscribe for shares in the capital of the Company or any other member of the Group otherwise than pursuant to an Employees' Share Scheme;
- (b) an issue of any shares in the capital of the Company otherwise than pursuant to an Employees' Share Scheme;
- (c) the transfer of any shares in the capital of the Company (not being a transfer permitted by Article 20) to any person other than an existing member of the Company;
- (d) a winding-up of the Company or of any other member of the Group;

- (e) the disposal of the whole or a substantial part of the undertaking or assets of the Company;
- (f) any change of status of the Company to a public limited company or application for any shares in the Company or in any parent undertaking of the Company to be dealt in on a public market;
- (g) the removal of Waterco (Trustee) Limited as trustee of the Trust; and
- (h) the appointment of any person, other than Waterco (Trustee) Limited, as trustee of the Trust.

18. Lien on shares

- 18.1 The Company shall have a first and paramount lien on all shares (whether or not such shares are fully-paid) registered in the name of a person indebted or under liability to the Company (whether such person is the sole holder of the shares or one of two or more joint holders) for all moneys (whether presently payable or not) payable at a fixed time or called, and to all distributions and other moneys and property attributable to such shares.
- 18.2 The directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article 18.
- 18.3 The Company's lien on a share shall extend to any amounts presently payable to the Company by the registered holder of such share or if such registered holder has died, his or her estate.

19. Transfer of shares - general

- 19.1 No share or any interest in a share may be transferred otherwise than in accordance with the provisions of these Articles and Model Article 26 shall have effect subject to the following provisions of these Articles.
- 19.2 For the purpose of ensuring that a transfer of shares is duly authorised or required under these Articles, the directors may require any member or legal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the directors may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the directors may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in that member's name. Failing such information and evidence being furnished to the

satisfaction of the directors within a period of 28 days after such request, the directors may refuse to register the transfer in question.

20. Permitted transfers

20.1 Any share may at any time be transferred without restriction as to price or otherwise:

- (a) to the Trustee;
- (b) by the Trustee to any individual who is within the class of beneficiaries of the Trust;
- (c) by the Trustee to the trustee or trustee of any other trust for the benefit of persons who are employees of members of the Group and which is an Employees' Share Scheme;
- (d) to the trustee or trustees of a Share Incentive Plan;
- (e) by the trustee or trustees of a Share Incentive Plan to any individual pursuant to and in accordance with the rules of such Share Incentive Plan;
- (f) to any person appointed as the Trustee upon a change of trustee, or upon the appointment of a new trustee, of the Trust;
- (g) to any person appointed as trustee upon a change of trustee, or the appointment of a new trustee, of a Share Incentive Plan;
- (h) to any person appointed as trustee of any such other trust as mentioned in subparagraph (c) above upon a change of trustee, or the appointment of a new trustee, of such trust; or
- (i) subject to the Act, to the Company for cancellation or to be held in treasury.

20.2 A shareholder (apart from the Trustee) may, in good faith, transfer all or part of the Shares owned by them to a Permitted Transferee without restriction as to price or otherwise. Whilst the Trustee shall be notified of such transfer, the approval of the Trustee shall not be required. However, a shareholder's right to transfer shares under this Article 20.2 does not apply if the Board reasonably considers that the proposed transfer is being done in bad faith.

20.3 On the death of a shareholder, his or her shares shall pass according to his or her will or the rules on intestacy and the pre-emptions rights set out in Article 21 shall not apply.

21. Voluntary transfers – pre-emption rights

21.1 A shareholder (**Seller**) wishing to transfer a share or any interest in a share (**Sale Shares**), otherwise than as mentioned in Article 20, must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:

Company number: 03577754

- (a) the number of Sale Shares;
 - (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
 - (c) the price (in cash) at which the Seller wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**)); and
 - (d) whether the transfer notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**).
- 21.2 Once given (or deemed to have been given) under this Article 21, a Transfer Notice may not be withdrawn.
- 21.3 A Transfer Notice (or deemed transfer notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 21.4 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 21 at the Transfer Price. Each offer shall be in writing and give details of the number and transfer price of the Sale Shares offered.
- 21.5 The Board shall offer the Sale Shares in the following order of priority:
 - (a) first, to the Trustee; and
 - (b) second, to all other shareholders other than the Seller (the **Continuing Shareholders**).
- 21.6 The Board shall, within 14 days beginning with the date on which the Transfer Notice is given or is deemed to be given, first offer the Sale Shares to the Trustee, and if and insofar as the Trustee does not, within the period of 15 Business Days following receipt of such offer, accept such offer in respect of any of the Sale Shares, the Board shall offer the Sale Shares, or the balance remaining of the Sale Shares to the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 21.7 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 21.5 to Article 21.11 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 21.8 If:
 - (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the

Sale Shares to the Trustee and/or each Continuing Shareholder (as the case may be) who has applied for Sale Shares in the proportion which the Trustee's and/or the Continuing Shareholder's existing holding of shares bears to the total number of Shares held by the Trustee and/or those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Trustee and/or Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to the Trustee and/or a Continuing Shareholder of more than the maximum number of Sale Shares which it has stated it is willing to buy.

- (b) not all Sale Shares are allocated following allocations in accordance with Article 21.8(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in Article 21.8(a). The procedure set out in this Article 21.8(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Trustee and/or the Continuing Shareholders in accordance with their respective applications. The balance (**the Initial Surplus Shares**) shall be dealt with in accordance with Article 21.9.

21.9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (**the Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

21.10 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that the Continuing Shareholder's existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No

Company number: 03577754

allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which it has stated it is willing to buy.

21.11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with Article 21.16.

21.12 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 20.5 to Article 21.11, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

21.13 If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under Article 21.5 to Article 21.11 have been made in respect of some or all of the Sale Shares,
- (c) the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to them (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 30 Business Days, but not more than 60 Business Days, after the date of the Allocation Notice).

21.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

21.15 If the Seller fails to comply with Article 21.14:

- (a) the chairperson of the Company (or, failing the chairperson, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
- (b) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- (c) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - (d) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
 - (e) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered its certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.
- 21.16 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to Article 21.12 then, subject to Article 21.17 and within 16 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this Article shall continue to be subject to any Minimum Transfer Condition.
- 21.17 The Seller's right to transfer Sale Shares under Article 21.16 does not apply if the Board reasonably considers that:
- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the Business of the Company; or
 - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.
- 21.18 The restrictions imposed by this Article 21 may be waived in relation to any proposed transfer of Sale Shares with the consent of the shareholder(s) who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article 21.
- 22. Compulsory transfers**
- 22.1 Immediately before any of the following events, a shareholder (apart from the Trustee) is deemed to have served a Transfer Notice under Article 21.1 in respect of his entire shareholding in the Company:
- (a) an order being made for the shareholder's bankruptcy; or

- (b) an arrangement or composition with the shareholder's creditors being made; or
 - (c) the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his debts generally; or
 - (d) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
 - (e) any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
 - (f) the shareholder (being a director) suffering from a critical or long-term illness such that the shareholder is unable perform his duties as a director of the Company for a consecutive period of 12 months; or
 - (g) the shareholder having a disqualification order made against him under the Company Directors Disqualification Act 1986; or
 - (h) the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding.
- 22.2 If a Shareholder is an Employee and he becomes a Departing Employee, a Transfer Notice shall be deemed to have been served on the relevant termination date in respect of the Employee's entire shareholding in the Company.
- 22.3 Subject to Article 22.4, within 28 days of the service of a deemed Transfer Notice pursuant to Article 22.1 or Article 22.2, the Board shall instruct the Valuers to determine, pursuant to Article 23, the Fair Value of the shares the subject of the Transfer Notice (**Sale Shares**).
- 22.4 In the event of the service of a Deemed Transfer Notice pursuant to Article 22.2 and the Shareholder is a Bad Leaver, the Transfer Value of the Sale Shares shall be their nominal value and the Board shall, as soon as reasonably practicable, offer the Sale Shares for sale at that price in accordance with Article 21.
- 22.5 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of Article 21 shall apply, except that:
- (a) the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the shares held by the Seller (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Deemed Transfer Notice);
 - (b) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares.

22.6 Forthwith upon a Deemed Transfer Notice, the Sale Shares shall cease to confer on the Seller any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- (b) to receive dividends or other distributions otherwise attaching to the Sale Shares; or
- (c) to participate in any future issue of Shares.

22.7 Within 28 days of the Valuers determining the Fair Value of the Sale Shares, the Board shall, as soon as reasonably practicable, procure that the Company shall offer the Sale Shares for sale in accordance with Article 21.

22.8 For the avoidance of doubt, the Trustee shall not be subject to the compulsory transfer events in this Article.

23. Valuation of shares

23.1 The Valuers shall be requested to determine the Fair Value within 25 Business Days of their appointment and to notify the Board in writing of their determination.

23.2 The Fair Value for any Sale Shares shall be the price per share determined by the Valuers on the following bases and assumptions:

- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued Shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
- (d) the Sale Shares are sold free of all encumbrances; and
- (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value.

23.3 The Board is entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the Board may reasonably require.

- 23.4 To the extent not provided for by this Article 23, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate.
- 23.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the Shareholders in the absence of manifest error or fraud.
- 23.6 The Board and the Seller shall bear their own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation shall be borne equally by the Company and the Seller.

24. Drag along

- 24.1 If the holders of 65% of the shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Shares (**Called Shares**) to the Proposed Buyer (or as the proposed buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).
- 24.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article 24.
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 24.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 90 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 24.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 24.

- 24.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (b) that date is less than 30 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 30th Business Day after service of the Drag Along Notice.
- 24.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 24.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 24.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 24 in respect of their Shares.
- 24.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 24.6 transfer(s) in respect of all of the Called Shares held by him, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of Shares under this Article.

25. Tag along

- 25.1 Except in the case of transfers pursuant to Article 20 (permitted transfers) or Article 22 (compulsory transfers), and after going through the pre-emption procedure set out in Article 21, the provisions of this Article 25 shall apply if, in one or a series of related transactions, one or more shareholders (**Seller**) propose to transfer any of their shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 25.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**offer**) to:
- (a) the other shareholders to purchase all of the shares held by them;
 - (b) for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the proposed transfer or in any related previous transaction in the 6 months preceding the date of the Proposed Transfer (**Specified Price**).
- 25.3 The offer shall be made by written notice (**Offer Notice**), at least 30 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the Specified Price and other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**).
- 25.4 If the Buyer fails to make the offer to all of the holders of shares in the Company in accordance with Article 25.2 and Article 25.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 25.5 If the offer is accepted by any shareholder (**Accepting Shareholder**) in writing within 15 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 25.6 This Article 25 shall not apply if the Buyer is the Trustee.

26. Procedure for declaring dividends

- 26.1 Subject to the requirements of the Act, the Company may by ordinary resolution declare dividends and the directors may decide to pay interim dividends.

- 26.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors and no dividend shall be paid in respect of any shares held by the company as treasury shares.
- 26.3 If the Company's share capital is divided into different classes, the directors, acting in good faith, may recommend (or declare as the case may be) a different amount of dividend on each class of shares.
- 26.4 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 26.5 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- 26.6 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 26.7 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 26.8 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Decision making by shareholders

27. Poll votes

- 27.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 27.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article.

28. Proxies

- 28.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to

vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

- 28.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Article.

Administrative arrangements

29. Means of communication to be used

- 29.1 Subject to article 29.3, any notice, document or other information shall be deemed received by the intended recipient:

- (a) if delivered by hand at the time the notice, document or other information is left at the address;
- (b) if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting;
- (c) if sent by pre-paid airmail, at 9.00 am on the fifth Business Day after posting;
- (d) if sent by email or fax, at the time of transmission; or
- (e) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

- 29.2 If deemed receipt under article 29.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this Article 29.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.

- 29.3 To prove service, it is sufficient to prove that:

- (a) if delivered by hand, the notice was delivered to the correct address; or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;
- (c) sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

30. Indemnity

30.1 Subject to article 30.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

(a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer:

(i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

(ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

(b) the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in Article 30.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

30.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

30.3 In this Article:

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

(b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his or her capacity as auditor).

31. Insurance

31.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

31.2 In this Article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his capacity as auditor);
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.