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KINGSLEY PLASTICS MANAGEMENT COMPANY LIMITED

THE COMPANIES ACT 2006



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Company number: 06524761

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KINGSLEY PLASTICS MANAGEMENT COMPANY LIMITED

(Adopted by special resolution passed on 9 February 2024)

Introduction

1. INTERPRETATION

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

Act: means 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)

appointor: has the meaning given in article Error! Reference source not found..

Auditors: means the auditors of the Company from time to time or, if the Company does not have auditors, the accountants of the Company from time to time

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

Available Profits: profits available for distribution within the meaning of part 23 of the Act.

Bad Leaver: means an Employee who ceases to be an Employee because 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 because of that person's misconduct; 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: means the board of directors of the Company or, a duly constituted committee thereof

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

Civil Partner: in relation to a shareholder, a civil partner as defined in the Civil Partnerships Act 2004.

Company: Kingsley Plastics Management Limited (registered in England and Wales with company number 06524761) whose registered office is situated at The Airfield, Winkleigh, EX19 8DW

Conflict: has the meaning given in article 8.1.

Control: means the ability to exercise or control voting rights conferred by all or any part of the issued share capital of the Company so that "50% Control" relates to the exercise or control of 50% or more of the total voting rights conferred by all the issued share capital of the Company

Disposal: means a sale of the whole or substantially the whole of the assets and undertaking of the Group

eligible director(s): means 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).

Employee: means a person for the time being in the bona fide employment of the Company or any subsidiary thereof including any officer of the Company holding a salaried employment with the Company or any subsidiary thereof.

Employee Share Option Plan: any enterprise management incentive plan created by the company that issues qualifying options pursuant to the EMI code (as defined in the Income Tax (Earnings and Pensions) Act 2003) subject to a maximum share option pool of 40 Ordinary B Shares.

Employee Trust: means a trust established by the Company or any subsidiary of the Company for the benefit, inter alia, of all or any of the Employees and future Employees and, without prejudice to the generality of the foregoing, the EOT (as from time to time amended and in force) is an Employee Trust.

Employee Trustees: means the trustees of the Employee Trust

Equity Share Capital: has meaning ascribed to it by section 548 of the Act.

EOT: means the Kingsley Employee Ownership Trust established by the Company on or about the date that these Articles are adopted or a subsequent trust established by the Company for the benefit of the Employees to whom the whole assets of the previous EOT have been transferred and, where appropriate, means the trustees or trustee thereof

EOT Shareholding Requirement: means at least a majority of the issued Equity Share Capital in the Company.

Fair Value: in relation to shares, as determined in accordance with article 23.

Family Trust: a trust set up for the for the benefit of the Privileged Relations of a shareholder.

Founder Director: means a director appointed by a Founder and holding office from time to time pursuant to article 6.

Founders: means Kevin Down and Jacqueline Down both of whom are shareholders as at the date of adoption of these Articles.

Good Leaver: means an Employee who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, when the Directors and the EOT determine that a person is not a Bad Leaver.

Insolvency Event: has the meaning set out in the Share Purchase Agreement.

Listing: means the listing or admission to trading of all of the issued and to be issued Ordinary Shares or any shares in any subsidiary of the Company on AIM, the Official List of the UK Listing Authority or any other recognised investment exchange or overseas investment exchange as defined in the Financial Services and Markets Act 2000

Model Articles: means 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.

Ordinary Shares: means the Ordinary A Shares, the Ordinary B Shares and the Ordinary C Shares.

Ordinary A Shares: means the ordinary A shares of £0.1 each in the capital of the Company from time to time.

Ordinary B Shares: means the ordinary B shares of £0.1 each in the capital of the Company from time to time.

Ordinary C Shares: means the ordinary C shares of £0.1 each in the capital of the Company from time to time.

Permitted Transferee: in relation to a shareholder holding Ordinary B Shares or Ordinary C Shares, any of their Privileged Relations or the Trustees of their Family Trust(s)

Privileged Relation: the spouse or Civil Partner, children or grandchildren of a shareholder who is an Employee or a former Employee.

Restricted Member: means an Employee member who ceases for any reason (including their death) to be an Employee and includes (where applicable) their personal representatives.

Sale: means the sale of all or such part of the entire issued share capital of the Company or any subsidiary of the Company (to the extent not already owned by the purchaser or persons Acting in Concert or connected with the purchaser as defined in section 1122 of the Corporation Tax Act 2010) or the acceptance of an offer as a result of which the offeror (unless the offeror is the EOT) or any person connected with or acting in concert with the offeror acquires more than 50% Control of the Company or the subsidiary of the Company or a merger or consolidation of the share capital of the Company resulting in any member (except for the EOT) or third party obtaining more than 50% Control of the Company or the subsidiary of the Company.

Share Purchase Agreement: means any share purchase agreement between the EOT, and the Founders regarding the sale of shares in the Company dated on or around the date of the adoption of these Articles.

- 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 a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 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.
- 1.8 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.9 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.
- 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 8, 9(1) , 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.12 Article 7 of the Model Articles shall be amended by:
- 1.12.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.12.2 the insertion in article 7(2) of the words "(for so long as they remains the sole director)" after the words "and the director may".
- 1.13 Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 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".
- 1.16 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. PROCEEDINGS OF DIRECTORS

- 2.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 2.2 (subject to article 2.3 and article 2.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 2.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 2.3 A decision taken in accordance with article 2.2 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.
- 2.4 A decision may not be taken in accordance with article 2.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter.

3. CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

4. QUORUM FOR DIRECTORS' MEETINGS

4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors, including (if they have been appointed) one Founder Director.

4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 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.

4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

4.3.1 to appoint further directors; or

4.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

5. CASTING VOTE

5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the managing director shall have a casting vote.

5.2 Article 5.1 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).

6. FOUNDER DIRECTORS

6.1 While a Founder holds an Ordinary Share, they shall be entitled to appoint and remove themselves as a director of the Company.

6.2 Where there has been an Insolvency Event, the holders of a majority of the Ordinary C Shares shall be entitled to appoint or remove such number of persons as is equal to the number of existing directors plus one, as directors of the Company.

6.3 A notice of appointment or removal of a director under article 6.1 or 6.2 shall take effect upon lodgement at the registered office of the Company or on delivery to a meeting of the directors of the Company.

6.4 The Company shall procure that where a Founder has appointed a Founder Director under this article that the Founder Director (if they so request) is also appointed as a director of any trading subsidiary of the Company.

7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of his 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:

- 7.1.1 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;
- 7.1.2 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 they is interested;
- 7.1.3 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 they is interested;
- 7.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and they or his firm shall be entitled to remuneration for professional services as if they were not a director;
- 7.1.5 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
- 7.1.6 shall not, save as they may otherwise agree, be accountable to the company for any benefit which they (or a person connected with him (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 duty under section 176 of the Act.

8. DIRECTORS' CONFLICTS OF INTEREST

- 8.1 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 duty under section 175 of the Act to avoid conflicts of interest (Conflict).
- 8.2 Any authorisation under this article 8 will be effective only if:
 - 8.2.1 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;

- 8.2.2 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
 - 8.2.3 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.
- 8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):
- 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2 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;
 - 8.3.3 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;
 - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 8.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, they 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
 - 8.3.6 permit the Interested Director to absent himself 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.
- 8.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.5 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.

- 8.6 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 they derive 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.

9. 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.

10. APPOINTMENT OF DIRECTORS

- 10.1 Directors of the Company or any subsidiary of the Company may only be appointed or re-appointed:

- 10.1.1 in accordance with article 10.2,
- 10.1.2 by receipt of notice by the Company from a trustee of the EOT appointing such director;
- 10.1.3 at a general meeting of the Company,
- 10.1.4 by the Founders pursuant to article 6.

- 10.2 The directors may 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 the Articles as the maximum number of directors.

- 10.3 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:

- 10.3.1 they are convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that they cease to be a Director;
- 10.3.2 in the case of an executive Director only, they shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

11. 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.

Shares

12. SHARE CAPITAL

12.1 The issued share capital of the Company at the date of adoption of these Articles is £82 divided into:

12.1.1 603 Ordinary A Shares of £0.1 each

12.1.2 135 Ordinary B Shares of £0.1 each; and

12.1.3 82 Ordinary C Shares of £0.1 each.

12.2 Except as otherwise provided in these Articles, the Ordinary A Shares, the Ordinary B Shares and the Ordinary C Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

12.3 No share shall be registered in the names of joint holders other than the names of the trustees of any Employee Trusts in their capacity as such.

13. INCOME

13.1 The profits which the Company may determine to distribute in respect of any financial year shall be distributed among the holders of the Ordinary A Shares, the Ordinary B Shares and the Ordinary C Shares. Different levels of dividend may be distributed in respect of different classes of shares in the Company.

13.2 Every dividend shall be distributed to the appropriate shareholders pro rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis from and including the date of issue of the shares. No dividend shall be payable on a partly paid share.

14. CAPITAL

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed equally amongst the holders of the Ordinary Shares according to the number of shares held by each shareholder respectively.

15. UNISSUED SHARES

No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless authorisation has been obtained from the members of the Company in accordance with the provisions of the Act.

16. THE EOT SHAREHOLDING REQUIREMENT

- 16.1 The directors shall not register any transfer of shares which would cause the number of shares held by the EOT to fall below the EOT Shareholding Requirement.
- 16.2 If any member applies for shares which would cause either directly or indirectly the aggregate number of shares held by the EOT to fall below the EOT Shareholding Requirement, such application shall be deemed to be for such number of shares as would result in the EOT holding being maintained at a level at least equal to the EOT Shareholding Requirement.

17. SHARE TRANSFERS

The directors may refuse to register the transfer of any share without reason unless expressly authorised by these Articles.

18. PERMITTED TRANSFERS

- 18.1 Notwithstanding any other provisions in these Articles, the directors shall be bound to approve for registration the following transfers:

- 18.1.1 any transfer of shares by the trustees of the EOT for the time being to new trustees of the EOT,
- 18.1.2 any transfer by the trustees of the EOT to the trustees of any one or more employee benefit trusts established by the Company for the benefit of Employees on terms similar to those of the EOT including the transfer of any shares by the trustees of the EOT to one or more trustees or a corporate trustee of such employee benefit trusts,
- 18.1.3 any transfer by any person to the EOT;
- 18.1.4 any transfer by the trustees of the EOT to a beneficiary of the EOT in accordance with their respective trust deeds and rules;
- 18.1.5 any transfer by the trustees of the EOT in connection with any employees' share scheme (as defined by section 1166 of the Act) which the Company or any subsidiary of the Company may from time to time establish (including, for the avoidance of doubt, any transfer pursuant to an Employee Share Option Plan); or
- 18.1.6 any transfer of shares pursuant to any Employee Share Option Plan;
- 18.1.7 any transfer pursuant to article 20 (Compulsory Transfer);
- 18.1.8 any transfer pursuant to article 21 (Drag along);
- 18.1.9 any transfer pursuant to article 22 (Tag along rights on a change of control);

- 18.1.10 any transfer by the executors or administrators of a deceased Founder to any party whatsoever;
- 18.1.11 a transfer to a Permitted Transferee;
- 18.1.12 any transfer between Founders; or
- 18.1.13 any transfer approved in writing by the holders of a majority of the Ordinary A Shares and a majority of the Ordinary B shares and a majority of the Ordinary C Shares.

19. TRANSFER OF SHARES

- 19.1 Except where the provisions of article 18 or article 20 apply, a shareholder (Seller) wishing to transfer their shares (Sale Shares) must give notice in writing (a Transfer Notice) to the Company giving details of the proposed transfer including the price (in cash) at which they wish to sell the Sale Shares (Proposed Sale Price).
- 19.2 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.
- 19.3 Once given, a Transfer Notice may only be withdrawn with the prior written consent of the EOT.
- 19.4 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller, the Company and the EOT or, in default of agreement within fifteen Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 23.
- 19.5 As soon as practicable following the determination of the Transfer Price, the directors shall (unless the Transfer Notice is withdrawn in accordance with article 19.3) offer the Sale Shares to the holders of the Ordinary B Shares on the basis set out in article 19.6 to article 19.12.
- 19.6 An offer of Sale Shares made in accordance with article 19.5 shall remain open for acceptance for a period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive).
- 19.7 Subject to article 19.6, the Directors shall offer the Sale Shares as in article 19.5 (other than to the Seller), inviting the holders of the Ordinary B Shares to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive) (Offer Period) for the maximum number of Sale Shares they wish to buy.
- 19.8 If:

- 19.8.1 at the end of the Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion to which his existing holding of shares bears to the total number of shares in issue;
 - 19.8.2 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, or no applications have been received, the directors shall, subject to the Act, allocate any remaining Sale Shares to the Company.
- 19.9 Subject to the Act, provided that:
- 19.9.1 the EOT has paid any monies due to the Founders pursuant to the Share Purchase Agreement; and
 - 19.9.2 the Company has sufficient Available Profits
- the Company must purchase the Sale Shares allocated to it pursuant to article 19.8.2.
- 19.10 The directors shall give notice in writing of the allocation of Sale Shares (an Allocation Notice) to the Seller and the purchasing Shareholder or the Company (as appropriate) and shall specify in such notice the place and time (not earlier than five and not later than thirty Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares so allocated shall be completed.
- 19.11 The Seller shall be bound to transfer the shares comprised in the Allocation Notice to the purchasing Shareholder and/or the Company at the time and place therein specified. If the Seller shall fail to do so, the chair of the Company or some other person appointed by the Board shall be deemed to have been appointed attorney of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller transfers of the Sale Shares to the purchasing shareholder or the Company against payment of the price and on payment of the price the purchasing Shareholder and/or the Company shall be deemed to have obtained a good discharge for the purchase money and shall (subject to the transfer being duly stamped) be entitled to insist upon their name being entered in the register of members as a holder of a transfer of the Sale Shares.
- 19.12 If the Company has insufficient Available Profits to purchase the Sale Shares in one tranche, then the Sale Shares shall be purchased by the Company as follows:
- 19.12.1 one third of the Sale Shares shall be purchased by the Company as set out in article 19.11;
 - 19.12.2 one third of the Sale Shares shall be purchased by the Company on the first anniversary of the purchase pursuant to article 19.12.1;

19.12.3 one third of the Sale Shares shall be purchased by the Company on the second anniversary of the purchase pursuant to article 19.12.1

or in such manner as is agreed between the Company and the Seller provided that all the Sale Shares are purchased by the Company before the third anniversary of the date specified in the Allocation Notice.

20. COMPULSORY TRANSFERS

20.1 A shareholder, is deemed to have served a Transfer Notice under article 19.1 in relation to all the shares registered in their name immediately before any of the following events:

- 20.1.1 a bankruptcy petition being presented for the shareholder's bankruptcy; or
- 20.1.2 the shareholder being unable to pay their debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- 20.1.3 the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which they are resident, carries on business or has assets; or
- 20.1.4 the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or their shareholding; or
- 20.1.5 the shareholder dying (unless they are the holders of Ordinary C Shares); or
- 20.1.6 the shareholder having a disqualification order made against them under the Company Directors Disqualification Act 1986; or
- 20.1.7 the shareholder committing a material or persistent breach of any shareholders' agreement to which the shareholder is a party in relation to the shares in the Company which if capable of remedy has not been remedied within 15 Business Days of the majority of the holders of Ordinary Shares requiring such remedy; or
- 20.1.8 the shareholder or their spouse ceasing to be an Employee (unless they are the holder of Ordinary C Shares); or
- 20.1.9 where a shareholder is the spouse of an Employee, when a divorce application is made (unless they are the holder of Ordinary C Shares).

PROVIDED THAT the provisions of this article 20.1 shall not apply to any shares registered in the name of a shareholder in their capacity as a trustee of an Employee Trust.

- 20.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that the Deemed Transfer Notice takes effect on the basis that it does not state a price for the Sale Shares and the Transfer Price for the Sale Shares shall be:
- 20.2.1 if the Seller is a Bad Leaver, the lower of the price paid by the Seller for the Sale Shares or the aggregate Fair Value of those shares, agreed between the Seller, the Company and the EOT or determined by the Valuers in accordance with article 23; or
 - 20.2.2 if the Seller is a Good Leaver, the aggregate Fair Value of those shares, agreed between the Seller, the Company and the EOT or determined by the Valuers in accordance with article 23.
- 20.3 If the Deemed Transfer Notice is deemed to have been issued in respect of the Sale Shares, and the Allocation Notice in respect of those Sale Shares does not relate to all the shares held by the Seller, the Company may by notice in writing to the Seller deem a Transfer Notice to have been issued over the Seller's remaining Sale Shares at any time.
21. DRAG ALONG
- 21.1 For the avoidance of doubt, any Sale may require certain approvals under article 31 before the provisions of this article apply.
- 21.2 If the holders of 90% of the Ordinary Shares (Proposing Transferors) wish to transfer all (but not some only) of their Ordinary Shares to a bona fide arm's length purchaser (Proposed Buyer), the Proposing Transferors may require the holders of the other shares (Called Shareholders) to sell and transfer all of their Ordinary Shares (Called Shares) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 21 (Drag Along Option).
- 21.3 The Proposing Transferors 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 Proposing Transferor's shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 21.3.1 that the Called Shareholder is required to transfer all of their Called Shares pursuant to this article 21;
 - 21.3.2 the person to whom the Called Shares are to be transferred;
 - 21.3.3 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 Proposing Transferor's shares; and
 - 21.3.4 the proposed date of the transfer.

- 21.4 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Proposed Transferor has not sold the Proposed Transferor's Shares to the Proposed Buyer within twenty (20) Business Days of serving the Drag Along Notice. The Proposing Transferor may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.5 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this Article 21.
- 21.6 Completion of the sale of the Called Shares shall take place on the Drag Along Completion Date. Drag Along Completion Date means the date proposed for completion of the sale of the Proposing Transferor's Shares unless:
- 21.6.1 the Proposing Transferor and the Called Shareholder agree otherwise in which case the Drag Along Completion Date shall be the date agreed in writing by them; or
- 21.6.2 that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Drag Along Completion Date shall be the fifth Business Day after service of the Drag Along Notice.
- 21.7 The sale of the Called Shares by the Called Shareholder shall not be subject to the provisions set out in article 19.
- 21.8 Within 10 Business Days of the Proposing Transferor serving a Drag Along Notice on the Called Shareholder, the Called Shareholder shall deliver a stock transfer form for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 10 Business Day period, the Company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 21.3 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 Shareholder in trust for the Called Shareholder without any obligation to pay interest.
- 21.9 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period referred to in article 21.8, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholder shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholder shall have no further rights or obligations under this article 21 in respect of its shares unless a further valid Drag Along Notice is issued to them.
- 21.10 If the Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Proposing Transferors to be its agent to execute all necessary

transfer(s) on its 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 they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 21.10.

22. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 22.1 Except in the case of transfers pursuant to article 18 (Permitted Transfers), the provisions of article 22.2 to article 22.6 shall apply if, in one or a series of related transactions, one or more sellers (Majority Sellers) propose to transfer any of the shares (Proposed Transfer) which would, if carried out, result in any person other than the EOT (Buyer), and any person Acting in Concert with the Buyer, acquiring more than 50% Control.
- 22.2 Before making a Proposed Transfer, a Majority Seller shall procure that the Buyer makes an offer (Offer) to the other holders of Ordinary Shares to purchase all of the shares held by them 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 (Specified Price).
- 22.3 The Offer shall be made by written notice (Offer Notice), at least fifteen (15) Business Days before the proposed sale date (Sale Date). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 22.3.1 the identity of the Buyer;
 - 22.3.2 the Specified Price and other terms and conditions of payment;
 - 22.3.3 the Sale Date; and
 - 22.3.4 the number of Shares proposed to be purchased by the Buyer (Offer Shares).
- 22.4 If the Buyer fails to make the Offer to all the holders of Ordinary Shares in the Company in accordance with article 22.2 and article 22.3, the Majority Sellers 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.
- 22.5 If the Offer is accepted by any Shareholder (Accepting Shareholder) in writing within ten (10) 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.
- 22.6 The Proposed Transfer may be subject to the pre-emption provisions of article 19, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

23. VALUATION

- 23.1 The Valuers shall be requested to determine the Fair Value within twenty five Business Days of their appointment and to notify the Company, the EOT and the Seller in writing of their determination.
- 23.2 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
- 23.2.1 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 23.2.2 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 23.2.3 the Sale Shares are sold free of all encumbrances;
 - 23.2.4 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - 23.2.5 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.
- 23.3 The Seller, the EOT and the Company are 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 shareholders 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, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.
- 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 cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

24. TRANSMISSION OF SHARES

A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly

require, have their interest noted in the Register of Members and (whether or not such person shall have elected to be registered as the holder of such share) shall be bound by the provisions of these Articles.

Decision making by shareholders

25. QUORUM FOR GENERAL MEETINGS

- 25.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be the EOT or their duly authorised representatives.
- 25.2 If a quorum is not present within fifteen minutes (or such longer time not exceeding one hour as the chairperson of the meeting decides) from the time appointed for a general meeting the meeting shall be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine and at such adjourned meeting if there is still no quorum the meeting shall be dissolved.
- 25.3 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

26. CHAIRING GENERAL MEETINGS

- 26.1 If the directors have appointed a chairperson, the chairperson shall chair general meetings if present and willing to do so.
- 26.2 If the directors have not appointed a chairperson, or if the chairperson is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start the directors present, or if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairperson of the meeting must be the first business of the meeting

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.

29. RESTRICTED MEMBERS VOTING RIGHTS

29.1 All voting rights and rights to receive notice of and attend any general meetings of the Company attached to Ordinary Shares held by an Employee or the Permitted Transferee of an Employee shall be suspended with immediate effect from the time such Employee becomes a Restricted Member.

29.2 If a Restricted Member transfers any Restricted Shares in the Company in accordance with the provisions of these Articles, all rights attached to the Restricted Shares so transferred that were suspended pursuant to Article 29.1 shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

Administrative arrangements

30. MEANS OF COMMUNICATION TO BE USED

30.1 Subject to article 30.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

30.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

30.1.2 if sent by fax, at the time of transmission; or

30.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

30.1.4 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

30.1.5 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; and

30.1.6 if deemed receipt under the previous paragraphs of this article 30.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

- 30.2 To prove service, it is sufficient to prove that:
- 30.2.1 if delivered by hand the notice was delivered to the correct address; or
 - 30.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 30.2.3 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - 30.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

31. SPECIAL CONSENTS

- 31.1 Any reference to the Company in the following article 31.2 shall be deemed to be a reference to the Company or a subsidiary of the Company.
- 31.2 So long as any surviving Founder is owed any sum under the Share Purchase Agreement, the Company shall not be permitted to do any of the following without the prior written consent of the surviving Founders:
- 31.2.1 vary in any respect the Articles or the rights attaching to any of the shares in the Company or the provisions relating to the transfer of shares;
 - 31.2.2 increase the number of shares in the Company or grant any option (save for pursuant to the Employee Share Option Plan) or other interest over its share capital;
 - 31.2.3 make any changes to the deed of trust that established the EOT;
 - 31.2.4 support a resolution to terminate the EOT or such similar action by the Company as could bring the Trust Period under the EOT's deed of trust to an end;
 - 31.2.5 purchase any of its own shares;
 - 31.2.6 form any subsidiary or acquire shares in any other company;
 - 31.2.7 incur any borrowing other than (i) any loans that are outstanding on the date of adoption of these Articles, (ii) credit in the ordinary course of business (iii) any borrowing created through the operation or purported operation of clauses in hire purchase agreements in the ordinary course of business, or (iv) borrowing equal to or below the value of £200,000;
 - 31.2.8 pass any resolution for the winding up of the Company (unless it has become insolvent);

- 31.2.9 change the nature of the Company's business or commence any new business by the Company which is not ancillary or incidental to the existing business or capability;
 - 31.2.10 amalgamate or merge with any other company or business undertaking, make any acquisition or disposal of any asset(s) with a value equal to or in excess of £100,000;
 - 31.2.11 make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits in the ordinary course of business) or grant any credit (other than in the normal course of trading) where the loan or credit is in excess of £50,000;
 - 31.2.12 give any guarantee or indemnity for the liabilities of the third party;
 - 31.2.13 grant any rights (by licence or otherwise) in or over any intellectual property owned or used by the Company;
 - 31.2.14 make or permit to be made any change in the accounting policies and principles adopted by the Company in the preparation of its management accounts except as may be required to ensure compliance with relevant accounting standards under the law or any other generally accepted accounting principles in the United Kingdom;
 - 31.2.15 apply for a Listing;
 - 31.2.16 a Sale;
 - 31.2.17 a Disposal; or
 - 31.2.18 appoint or remove the managing director, chief executive officer or equivalent individual.
- 31.3 Save for the security created prior to the adoption of these Articles or on the date of adoption of these Articles, while any surviving Founder is owed in excess of 25% of the Purchase Price under the Share Purchase Agreement, the Company shall not be permitted to create or grant any security (such as a mortgage or floating charge) over the whole or any part of the Company's property other than charges arising in the ordinary course of business through the operation or purported operation of title retention clauses and in hire purchase agreements without the prior written consent of the surviving Founders.
- 31.4 Any alteration to:
- 31.4.1 article 19;
 - 31.4.2 article 21;
 - 31.4.3 article 22; and

31.4.4 this article 31

requires the consent of the holders of 90% of the Ordinary Shares.

32. EMPLOYEE OWNED

32.1 The Board recognises that it is an employee-owned company and will take account of its ownership for and on behalf of the employees. The Board will report to the employees at least once a year on performance of the Company and will consult with the EOT on matters which may have a bearing on the future growth and values of the Company beyond shareholder return.

32.2 The Board will organise not less than one all employee meeting each year (which may be hosted virtually) to engage employees on the previous years' performance by the Company and to outline future plans of the Company.

33. INDEMNITY

33.1 Subject to article 33.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

33.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by them as a relevant officer in the actual or purported execution and/or discharge of their duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which they is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his 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

33.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 33.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

33.2 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.

33.3 In this article:

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

- 33.3.2 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)).

34. INSURANCE

- 34.1 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.

34.2 In this article:

- 34.2.1 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));
- 34.2.2 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
- 34.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.