

Company number: 07800863

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
KNTC LIMITED

(Adopted by special resolution passed on 06 March 2024)

INTRODUCTION

1. INTERPRETATION

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

Act	the Companies Act 2006.
appointor	has the meaning given in article 12.1.
Articles	the Company's articles of association for the time being in force.
Bad Leaver	an Employee Shareholder who becomes a Departing Employee Shareholder and is not a Good Leaver.
Bankruptcy Event	an order being made for the bankruptcy of a Shareholder, or an arrangement or composition being made with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.
Business Day	any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.
Conflict	has the meaning given in article 8.1.
Continuing Shareholders	has the meaning given in article 18.5.
Deemed Transfer Notice	a Transfer Notice that is deemed to have been served under article 19.1 or article 19.2.
Departing Employee Shareholder	an Employee Shareholder in respect of whom a Trigger Event has occurred.
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).

Employee Shareholder	a Shareholder who is, or has been, a director and/ or employee of the Company.
Fair Market Value	the fair market value as determined in accordance with article 22 (<i>Fair Market Value</i>);
Family Trust	in relation to an Original Shareholder, a trust set up for the benefit of that Original Shareholder and/or that Original Shareholder's Privileged Relations.
Good Leaver	<p>an Employee Shareholder becomes a Departing Employee Shareholder in circumstances of:</p> <p>(a) retirement, permanent disability or permanent incapacity through ill health;</p> <p>(b) redundancy (as defined in the Employment Rights Act 1996);</p> <p>(c) dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right of appeal, to be wrongful; or</p> <p>(d) the Board determining the Employee Shareholder to be a Good Leaver.</p>
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.
Original Shareholder	each Shareholder, excluding any Shareholder who, for the time being, only holds Shares as a result of a Permitted Transfer.
Permitted Transfer	a transfer of Shares made in accordance with article 17 (<i>Permitted transfers of shares</i>).
Permitted Transferee	in relation to an Original Shareholder, any other Original Shareholder, or any of his Privileged Relations or the trustees of his Family Trust(s).
Privileged Relation	any of the spouse or civil partner (as defined in the Civil Partnership Act 2004) of an Original Shareholder and the Original Shareholder's children and grandchildren (including step and adopted children and grandchildren).
Sale Shares	has the meaning in article 18.1.
Seller	has the meaning in article 18.1.
Shareholder	any person holding Shares from time to time and Shareholders means all of them together.

Shares	the shares in the capital of the Company in issue from time to time.
Transfer Notice	has the meaning given in article 18.1.
Transfer Price	the price per Sale Share determined in accordance with article 18.4.
Trigger Event	<p>means, in relation to an Employee Shareholder:</p> <ul style="list-style-type: none"> (a) the giving of notice (including where a payment is made in lieu of notice), by the Company or the Employee Shareholder, to terminate his employment with the Company; (b) the delivery to the Company of the Employee Shareholder's resignation as a director of the Company (whether verbal or in writing); or (c) the passing of a resolution of the Shareholders to remove an Employee Shareholder as a director of the Company, <p><i>provided</i> that an Employee Shareholder who is, immediately prior to any such Trigger Event, both a director and employee shall only be a Departing Employee Shareholder if and when the Trigger Event has the effect of terminating both his employment and office as a director of the Company.</p>
Trustee Shareholder	KNTC EOT Limited, incorporated and registered in England and Wales with company number 15010755 acting as trustee of the KNTC Employee Ownership Trust.
Valuers	the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants or valuers jointly appointed by the Seller and the Company or, in the absence of agreement between the Seller and the Company on the identity of the expert within 5 Business Days of the expiry of the 10 Business Day period referred to in article 18.4, 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 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 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.
- 1.10 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.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - (a) the insertion of the words "*for the time being*" at the end of article 7(2)(a);
 - (b) the insertion in article 7(2) of the words "*(for so long as he remains the sole director)*" after the words "*and the director may*"; and
 - (c) the insertion of the words at the end of article 7(2) "*A sole director shall be entitled to exercise all powers and discretions conferred on the directors by the Act or the articles and nothing in these articles is to be construed as requiring the Company to have more than one director.*".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "*(including alternate directors) and the secretary*" before the words "*properly incur*".
- 1.13 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*".
- 1.14 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. UNANIMOUS DECISIONS

- 2.1 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.

2.2 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.

2.3 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.

3. CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving 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.

4. PARTICIPATION IN DIRECTORS' MEETINGS

Any director may participate in a meeting of the directors or of a committee of which he is a member by telephone or video conference, or similar communications equipment by means of which all the persons participating in a meeting can hear each other at the same time. Participation in a meeting in this manner is treated as a presence in person at the meeting.

5. QUORUM FOR DIRECTORS' MEETINGS

5.1 Subject to article 5.2 and article 5.3, at all times when there is more than one director in office, the quorum for the transaction of business at a meeting of directors is any two eligible directors.

5.2 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.

5.3 If the Company has only one director, and provided the shareholders have not resolved pursuant to article 10 that there must be more than one director in office for the time being, the general rule about decision-making by the directors does not apply, and the sole director shall form a quorum and may take decisions without regard to any of the other provisions of the Articles relating to directors' decision making.

6. CASTING VOTE

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

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 he has 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:

- (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 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 is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he 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 may otherwise agree, be accountable to the Company for any benefit which he (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:
 - (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.
- 8.3 Any authorisation of a Conflict under this article 8 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 involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he 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 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 he 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.

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. 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. A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these Articles.

11. APPOINTMENT AND REMOVAL OF DIRECTORS

- 11.1 For so long as it holds not less than 50% plus 1 of the Shares, the Trustee Shareholder may at any time and from time to time by notice in writing to the Company appoint one or more persons to be a director or directors of the Company and to remove any director or directors from office (whether or not appointed pursuant to this article 11).
- 11.2 Model Article 18 shall be amended by the inclusion of the words "*notification of the director's removal is received by the Company from a Trustee Shareholder pursuant to Article 11.1*" as a new paragraph (g) at the end of that Model Article.
- 11.3 Any removal of a director pursuant to article 11.1 shall be without prejudice to any claim for breach of contract under any employment agreement between the Company and the director so removed.

11.4 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.

11.5 Where a director is also an employee of the Company:

- (a) and in such capacity is guilty of a breach of his duties as a director of the Company or is disqualified from being a director, he shall be deemed to have immediately resigned from his office as a director of the Company and of the Trustee Shareholder (if applicable) with effect from the date of determination or disqualification (as the case may be); or
- (b) and ceases to be an employee in circumstances that would constitute him a Bad Leaver, he shall be deemed to have immediately resigned from his office as a director of the Company and of the Trustee Shareholder (if applicable) with effect from the relevant Trigger Date.

12. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

12.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

12.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

12.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

13. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

13.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

13.2 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and

(d) are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

13.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of article 13.3(a) and article 13.3(b).

13.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

13.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

14. TERMINATION OF ALTERNATE DIRECTORSHIP

14.1 An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates.

15. 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

16. TRANSFER OF SHARES

- 16.1 In these Articles, reference to the **transfer** of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a **Share** includes a beneficial or other interest in a Share.
- 16.2 Articles 16, 17, 18, 19, 22 and 23 shall only apply in respect of Shares acquired on or after the date of adoption of these Articles (**Adoption Date**).
- 16.3 No Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any Share or any interest in any Share, except as permitted by these Articles or with the prior written consent of the holders of not less than 85% of the nominal value of the Shares in issue for the time being.
- 16.4 The directors may refuse to register the transfer of a Share to any new Shareholder (other than in accordance with article 17 (Permitted transfers of shares), article 19 (Compulsory transfers), article 20 (Drag along) or article 21 (Tag along rights on a change of control)), whether or not it has not been made in compliance with these Articles, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 16.5 The directors may, as a condition to the registration of any transfer of Shares in the Company require any new Shareholder to execute and deliver to the Company a deed under which the new Shareholder agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the Shareholders from time to time in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 16.5, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 16.6 Any transfer of Shares by way of a sale that is required to be made under article 19 (*Compulsory transfers*), article 20 (*Drag Along*) or article 21 (*Tag along rights on a change of control*) shall be deemed to include a warranty that the transferor sells the Shares with full title guarantee.

17. PERMITTED TRANSFERS OF SHARES

- 17.1 Any Share may at any time be transferred by a Shareholder without restriction if the Company in its sole discretion and if it is legally able to do so buys back the Shares at the Fair Market Value or such other value as agreed between the Company and the relevant Shareholder(s), in accordance with article 22.
- 17.2 An Original Shareholder may, at any time, transfer some (but not all) of his Shares to any of his Permitted Transferees without restriction as to price or otherwise.
- 17.3 A Shareholder holding Shares as a result of:
- (a) a transfer by an Original Shareholder under article 17.2; or

- (b) a transfer by a Permitted Transferee of an Original Shareholder in accordance with article 17.4 to article 17.6 (inclusive),

may transfer any or all such Shares back to that Original Shareholder (or to one or more other Permitted Transferees of that Original Shareholder) without restriction as to price or otherwise.

- 17.4 If a Permitted Transfer has been made to a Privileged Relation of an Original Shareholder, that Privileged Relation shall within 10 Business Days of ceasing to be a Privileged Relation of that Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise, but not by reason of death) execute and deliver to the Company a transfer of those Shares held by him pursuant to a Permitted Transfer in favour of that Original Shareholder (or in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them.
- 17.5 In relation to a Privileged Relation (other than a joint holder) holding Shares pursuant to a Permitted Transfer from an Original Shareholder, on the occurrence of:
 - (a) the Privileged Relation's death; or
 - (b) the Privileged Relation suffering a Bankruptcy Event,that Privileged Relation, his personal representatives, his trustee(s) in bankruptcy or otherwise (as the case may be) shall, within 10 Business Days after the grant of probate or the making of the bankruptcy order (as the case may be), execute and deliver to the Company a transfer of those Shares in favour of that Original Shareholder (or, if so directed by the Original Shareholder, in favour of one or more other Permitted Transferees of that Original Shareholder) for such consideration as may be agreed between them.
- 17.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 10 Business Days of that Family Trust ceasing to be for the benefit of the Original Shareholder and/or the Original Shareholder's Privileged Relations execute and deliver to the Company a transfer of those Shares held by them or the Family Trust pursuant to a Permitted Transfer in favour of the Original Shareholder (or, if so directed by the Original Shareholder, in favour of one of more other Permitted Transferees of the Original Shareholder), for such consideration as may be agreed between them.
- 17.7 If a Permitted Transferee (or other relevant party) fails to comply with his obligations under article 17.4 to article 17.6 (as the case may be), that Permitted Transferee shall be deemed to have irrevocably appointed such person as is nominated by the directors as his agent to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares and to deliver such transfer(s) to the Company. After the Original Shareholder (or one or more of its other Permitted Transferees) has been registered as the holder of the Shares in question, 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 17.7.
- 17.8 For the purposes of these Articles and any shareholders agreement in force from time to time, an Original Shareholder shall be deemed to hold Shares and to be treated as a Shareholder for so long as any Permitted Transferee of that Original Shareholder holds any Shares that were acquired (whether directly or indirectly) from that Original Shareholder pursuant to a Permitted Transfer.

17.9 Notwithstanding anything contained in these Articles or in any other shareholders' agreement from time to time, the directors may not decline to register any transfer of Shares in the Company and may not suspend any registration thereof, where such transfer is:

- (a) to a bank or institution to which such Shares have been mortgaged or charged by way of security (whether as lender, or agent and trustee for a group of banks or institutions or otherwise) (**Secured Institution**), or to any nominee of such Secured Institution, pursuant to any such security;
- (b) executed by a Secured Institution or its nominee pursuant to the power of sale or other power under any such security; or
- (c) executed by a receiver or manager appointed by or on behalf of any Secured Institution or its nominee, under any such security,

and furthermore, notwithstanding anything to the contrary contained in these Articles, (i) no transferor of any Shares in the Company or proposed transferor of such Shares to a Secured Institution or to its nominee; (ii) no Secured Institution or its nominee; and (iii) no receiver or manager appointed by or on behalf of a Secured Institution or its nominee, shall be required to offer the Shares which are or are to be the subject of any such transfer to the Shareholders for the time being of the Company or any of them, and no such Shareholder shall have any right under these Articles or otherwise to require such Shares to be transferred to them whether for consideration or not.

18. PRE-EMPTION RIGHTS ON TRANSFERS OF SHARES

18.1 Except where the provisions of article 17 (*Permitted Transfers of Shares*) or article 19 (*Compulsory Transfers*) apply, a Shareholder (**Seller**) wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer, including:

- (a) the number of Shares he wishes to transfer (**Sale Shares**);
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer (**Seller's Nominated Buyer**); and
- (c) the price per Sale Share (in cash or cash equivalent) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).

18.2 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 the Articles.

18.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Market Value and such Fair Market Value is less than the Proposed Sale Price. In such case, the Seller may, within 5 Business Days of receipt of notification of the Fair Market Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.

18.4 The **Transfer Price** for each Sale Share which is the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash or cash equivalent) agreed between the Seller and the Company or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice, the Fair Market Value of each Sale Share determined in accordance with article 22 (*Fair Market Value*).

- 18.5 As soon as practicable following the agreement or determination of the Transfer Price, the Company shall (unless the Transfer Notice is withdrawn in accordance with article 18.3) offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Continuing Shareholders**) inviting them to apply to the Company in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 18.6 If:
- (a) 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 Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). 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 Continuing Shareholders shall be determined by the directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
 - (b) not all Sale Shares are allocated following allocations in accordance with article 18.6(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 18.6(a). The procedure set out in this article 18.6(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;
 - (c) at the end of the Offer Period, the Company has not received applications in respect of all the Sale Shares, the directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance of the Sale Shares shall be offered to the Company inviting it to apply in writing within 5 Business Days (**Company Offer Period**) for the maximum number of the balance of the Sale Shares it wishes to buy (to the extent it is legally and financially able to do so). Any purchase of Sale Shares by the Company shall be in accordance with article 25; and
 - (d) at the end of the Company Offer Period, any Sale Shares remain unallocated to either the Continuing Shareholders or the Company itself, the balance of the Sale Shares may, with the director's approval (such approval not to be unreasonably withheld or delayed), be transferred to the Seller's Nominated Buyer (if any) in accordance with article 18.11.
- 18.7 The directors shall, when no further offers or allocations are required to be made under article 18.6, give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and to each Shareholder (and the Company, if applicable) to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).
- 18.8 On the date specified for completion in the Allocation Notice the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to

such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicants or the directors may reasonably require to show good title to the Sale Shares, or to enable each of the Applicants to be registered as the holder(s) of the Sale Shares.

18.9 If the Seller fails to comply with article 18.8:

- (a) the chairman of the board of directors (or, failing him, any other director of the Company or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them and, in the case of a buyback of Sale Shares by the Company, make all the necessary filings with Companies House; and
- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the directors may reasonably require to prove good title to those Sale Shares, to the Company.

18.10 If any Applicant fails to pay the Transfer Price payable by him on the due date, without prejudice to any other remedy which the Seller may have, the outstanding balance of that Transfer Price shall accrue interest at a rate equal to 4% per annum above the Bank of England base rate from time to time.

18.11 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, subject to article 19 (*Compulsory transfers*), at any time during the 20 Business Days following the date of service of the Allocation Notice and with the directors' approval (such approval not to be unreasonably withheld or delayed), transfer the balance of the Sale Shares to the Seller's Nominated Buyer (if any) at a price per Share at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such Sale Shares to a third-party buyer if that buyer was not identified in the Transfer Notice (save with the prior written consent of the directors).

18.12 If the directors do not approve the transfer of any Sale Shares to the Seller's Nominated Buyer or to any other third party buyer proposed by the Seller under article 18.11, and/ or if there is no Seller's Nominated Buyer named in the Transfer Notice, all rights attaching to any Sale Shares remaining registered in the name of the Seller (**Remaining Shares**) shall be suspended with effect from the date of the Allocation Notice, and the Company shall continue to act as agent of the Seller in respect of those Remaining Shares until such time as an approved buyer is identified by the directors. The Remaining Shares shall then be sold at the Transfer Price to that buyer, at which point all rights attaching to such Remaining Shares shall be reinstated in full. The terms of article 18.8 and article 18.9 shall automatically apply in respect of the Remaining Shares with effect from the date of the Allocation Notice.

- 18.13 Each Shareholder shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder of the Company) the registration of each transfer of Sale Shares under this article 18 (subject to due stamping of a transfer by the relevant Applicant(s) and/ or a third party purchaser, as the case may be) and each of them consents to such transfers and registrations under these Articles. The terms of article 25.1 shall also apply in respect of any purchase of Sale Shares by the Company.
- 18.14 The terms of this article 18 shall not apply to a transfer of any shares held by the Company in treasury. Any such shares may be freely transferred by the Company to such person as the directors, in their absolute discretion, may decide.

19. COMPULSORY TRANSFERS

- 19.1 A Employee Shareholder is deemed to have served a Transfer Notice under article 18.1 in respect of all Shares held by him (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) immediately before (and on the same day as) any of the following events:
- (a) subject to article 17.5, the Shareholder's death;
 - (b) subject to article 17.5, the Shareholder suffering a Bankruptcy Event;
 - (c) that Shareholder (being an Employee Shareholder) becoming a Departing Employee Shareholder, unless the directors otherwise direct in writing within 5 Business Days of the occurrence of a Trigger Event that a Transfer Notice shall not be deemed to have been served.
- 19.2 A Transfer Notice deemed to have been served by a Shareholder under article 19.1 shall immediately deem a Transfer Notice to have been served under article 18.1 by any Permitted Transferee of that Shareholder in respect of all Shares held by such Permitted Transferee(s) (excluding any Shares that the directors declare themselves satisfied were not acquired pursuant to a Permitted Transfer by that Shareholder (or by another Permitted Transferee of that Shareholder)).
- 19.3 A Transfer Notice deemed to have been served by a Shareholder under article 19.1(c) shall immediately and automatically revoke:
- (a) any Transfer Notice served by the relevant Shareholder before that Shareholder became a Departing Employee Shareholder; and
 - (b) a deemed Transfer Notice deemed to be served by the relevant Shareholder under article 19.1(b),
- and from the date of the deemed Transfer Notice, all rights attaching to the Departing Employee Shareholder's Shares shall lapse.
- 19.4 The deemed Transfer Notice has the same effect as a Transfer Notice, except that:
- (a) the deemed Transfer Notice takes effect on the basis that it does not identify a Seller's Nominated Buyer or state a price for the Sale Shares and (subject to article 19.4(b) and 19.4(c)) the parties shall refer the question of a valuation to the Valuers to determine the Fair Market Value in accordance with article 22 (*Fair Market Value*);

- (b) if the Seller is deemed to have given a Transfer Notice as a result of article 19.1(c), the Transfer Price shall, where the Departing Employee Shareholder is:
 - (i) a Bad Leaver, be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Market Value of such Sale Shares; and
 - (ii) a Good Leaver, be the aggregate Fair Market Value of such Sale Shares;
 - (c) if the Seller is deemed to have given a Transfer Notice as a result of article 19.1(b) the Transfer Price shall be restricted to a maximum of the lower of the aggregate subscription price paid in respect of the Sale Shares, including any share premium, and the aggregate Fair Market Value of such Sale Shares.
 - (d) the Seller does not have a right of withdrawal following a valuation by the Valuers; or
 - (e) if any or all of the Sale Shares are not purchased by the Company or the Continuing Shareholders pursuant to the deemed Transfer Notice, the Seller is entitled to transfer the remaining Sale Shares to a third party buyer with the directors' approval (such approval not to be unreasonably withheld or delayed), and the terms of article 18.12 shall apply to any balance of Sale Shares remaining registered in the name of the Seller from time to time.
- 19.5 The provisions of article 18 shall apply in respect of a Deemed Transfer Notice, and a transfer of shares pursuant to a Deemed Transfer Notice, except to the extent varied by this article 19.

20. DRAG ALONG

- 20.1 If:
- (a) the Trustee Shareholder; or
 - (b) at any time that the Trustee Shareholder does not hold at least 50% plus 1 of the Shares, the holders of more than 75% of the issued share capital of the Company for the time being,
- (Majority Shareholders)** wish to transfer all of their interest in their Shares **(Majority Shares)** to a bona fide arm's length purchaser **(Proposed Buyer)**, the Majority Shareholders may require all other Shareholders **(Minority Shareholders)** to sell and transfer all their Shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article **(Drag Along Option)**.
- 20.2 The Majority Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Minority Shareholders **(Drag Along Notice)** at any time before the transfer of the Majority Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Minority Shareholders are required to transfer all their Shares **(Minority Shares)** pursuant to this article 20;
 - (b) the person to whom the Minority Shares are to be transferred;

- (c) the consideration payable for the Minority Shares which shall, for each Minority Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Majority Shares; and
 - (d) the proposed date of the transfer.
- 20.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Majority Shareholders have not sold the Majority Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Majority Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20.4 No Drag Along Notice shall require a Minority Shareholder to agree to any terms except those specifically set out in this article 20 or article 16.6.
- 20.5 Completion of the sale of the Minority Shares shall take place on the Completion Date. **Completion Date** means the date proposed for completion of the sale of the Majority Shares unless:
 - (a) all of the Minority Shareholders and the Majority Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Minority Shareholders and the Majority Shareholders with the Proposed Buyer; or
 - (b) that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 15th Business Day after service of the Drag Along Notice.
- 20.6 The rights of pre-emption set out in these Articles shall not apply to any transfer of Shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 20.7 On or before the Completion Date, the Minority Shareholders shall deliver duly executed stock transfer forms for the Minority 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 Minority Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares pursuant to this article 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 Minority Shareholders pursuant to this article in trust for the Minority Shareholders without any obligation to pay interest.
- 20.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to this article 20, the Minority Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Minority Shares and the Minority Shareholders shall have no further rights or obligations under this article in respect of their Shares.
- 20.9 If any Minority Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 20.7) transfer(s) in respect of all of the Minority Shares held by it, the defaulting Minority Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority 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 consideration payable for the Minority 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 20.9.

- 20.10 Following the issue of a Drag Along Notice, any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares in the Company or on the conversion of any convertible security of the Company (a **New Shareholder**), shall be deemed to have been served with a Drag Along Notice on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 20 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 20.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

21. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 21.1 In this article 21:
- (a) **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); and
 - (b) **Controlling Interest** means an interest in Shares giving to the holder(s) **control** of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
- 21.2 After first giving a Transfer Notice to the Company and following the procedure set out in article 18 (*Pre-emption rights on transfers of shares*), the provisions of article 21.3 to article 21.7 shall apply if in one or a series of related transactions, one or more Sellers propose to transfer any of their Shares to any person (**Buyer**) which would, if carried out, result in the Buyer, and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company or would result in the Trustee Shareholder ceasing to hold at least 50% plus 1 of the Shares (**Proposed Transfer**).
- 21.3 Before making a Proposed Transfer, the Seller(s) shall procure that the Buyer makes an offer (**Tag Offer**) to each of the other Shareholders (each an **Offeree**) to purchase the same proportion of the Shares held by each Offeree as the total number of Sale Shares bears to the total number of Shares held by the Seller(s), for a consideration in cash per Share (**Specified Price**) that is at least equal to the price per Share offered by the Buyer (or any person Acting in Concert with the Buyer) in the Proposed Transfer or in any related previous transaction in the 9 calendar months preceding the date of the Proposed Transfer.
- 21.4 The Tag Offer shall be made by written notice (**Tag Offer Notice**) to each Offeree at least 30 Business Days before the proposed date for completion of the Proposed Transfer (**Transfer Date**). To the extent not described in any accompanying documents, the Tag Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the Specified Price and other terms and conditions of payment;

- (c) the Transfer Date; and
 - (d) the number of Shares proposed to be purchased by the Buyer (**Tagged Shares**).
- 21.5 If the Buyer fails to make the Tag Offer in accordance with article 21.3 and article 21.4, the Seller(s) 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.
- 21.6 If the Tag Offer is accepted by any Offeree (each a **Tagged Shareholder**) in writing within 20 Business Days of receipt of the Tag Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Tagged Shares held by Tagged Shareholders.
- 21.7 The Proposed Transfer is subject to the rights of pre-emption set out in article 18 (*Pre-emption rights on transfers of shares*), but the purchase of the Tagged Shares from Tagged Shareholders shall not be subject to those provisions.

22. FAIR MARKET VALUE

- 22.1 Subject to article **Error! Reference source not found.**, the Fair Market Value for any Shares to be transferred under these Articles shall be the price per Share determined in accordance with this article 22.
- 22.2 In determining the Fair Market Value of the entire issued share capital of the Company, the Valuers shall apply the following assumptions:
- (a) the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - (b) each of the Sale Shares is to be valued as a proportion of the total value of all the issued shares in the capital of the Company with no 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;
 - (c) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (d) the Shares are sold free of all restrictions, liens, charges and other encumbrances;
 - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Market Value; and
 - (f) taking account of any other factors that the Valuers reasonably believe should be taken into account.
- 22.3 The Shareholders are entitled to make submissions to the Valuers including oral submissions 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.
- 22.4 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the parties (in the absence of manifest error or fraud)

- 22.5 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, unless the Seller withdraws the relevant Transfer Notice in accordance with article 18.3, in which case the Seller shall bear the cost.

23. PUT AND CALL OPTIONS

- 23.1 For the purposes of this article 23, the following definitions shall apply:

EBITDA shall mean in respect of any period, the operating profit of the Company before taxation, depreciation and amortisation excluding exceptional items and the results from discontinued operations.

EOT Debt means the amounts owed by the Trustee Shareholder in its capacity as trustee of the KNTC Employee Ownership Trust (a settlement intended to qualify as an employee-ownership trust pursuant to section 236H to 236U of the Taxation of Chargeable Gains Act 1992) under the share purchase agreement dated 31 August 2023 between the Trustee Shareholder and the Sellers (as defined therein) for 80% of the issued share capital of the Company.

Fair Value shall mean 6 x EBITDA for the previous twelve months, plus excess assets, less long term debt of the Company which shall be deemed to include any EOT Debt.

Relevant Minority Shareholder means a shareholder who holds in aggregate less than 50% of the issued share capital from time to time.

- 23.2 Each Relevant Minority Shareholder hereby grants the Company the right to require such Relevant Minority Shareholder to sell up to all of the Shares held by them in the capital of the Company acquired after the Adoption Date (**Call Option Shares**) on the following terms (**Call Option**):

- (a) the Call Option is exercisable in respect of some or all of the Call Option Shares;
- (b) the Call Option may be exercised in whole or in part at any time;
- (c) the buyer of the Call Option Shares shall be a person nominated by the Company who has agreed to buy the Call Option Shares (**Call Option Buyer**);
- (d) the Call Option may be exercised for a price per share equal to the aggregate Fair Value divided by the total number of shares issued by the Company (**Call Option Exercise Price**);
- (e) the Call Option may be exercised by the Company giving the Relevant Minority Shareholder notice in a form reasonably determined by the Company stating the date on which the notice is given, the Call Option Exercise Price and a date which is no more than 15 days after the date of the notice for the completion of the sale and purchase of the Option Shares; and
- (f) on completion, the Relevant Minority Shareholder shall deliver to the Company a duly executed transfer of the Call Option Shares, the relevant share certificates or an indemnity in respect of any lost share certificate, a duly executed irrevocable power of attorney enabling the Call Option Buyer (pending registration of the transfer of the Call Option Shares) to exercise all voting and other rights attaching to the Call Option Shares and all other deeds and documents, in each case duly executed by it or such

other person as appropriate, that are necessary to transfer to the Call Option Buyer, the unencumbered beneficial ownership of the Call Option Shares and to enable it to be registered as the holder of the Call Option Shares.

23.3 The Company hereby grants each Relevant Minority Shareholder the right to require the Company to procure the purchase of up to [50%] of the Shares held by them in the capital of the Company acquired after the Adoption Date (**Put Option Shares**) on the following terms (**Put Option**):

- (a) the Put Option is exercisable in respect of some or all of the Put Option Shares;
- (b) the Put Option may be exercised in whole or in part at any time;
- (c) the buyer of the Put Option Shares shall be a person nominated by the Company who has agreed to buy the Put Option Shares (**Put Option Buyer**);
- (d) the Put Option may be exercised for a price per share equal to aggregate Fair Value divided by the total number of shares issued by the Company (**Put Option Exercise Price**);
- (e) the Put Option may be exercised by Relevant Minority Shareholder giving the Company notice in a form reasonably determined by the Company stating the date on which the notice is given, the Put Option Exercise Price and a date which is no more than 15 days after the date of the notice for the completion of the sale and purchase of the Option Shares; and
- (f) on completion, the Relevant Minority Shareholder shall deliver to the Company a duly executed transfer of the Put Option Shares, the relevant share certificates or an indemnity in respect of any lost share certificate, a duly executed irrevocable power of attorney enabling the Put Option Buyer (pending registration of the transfer of the Put Option Shares) to exercise all voting and other rights attaching to the Put Option Shares and all other deeds and documents, in each case duly executed by it or such other person as appropriate, that are necessary to transfer to the Put Option Buyer, the unencumbered beneficial ownership of the Put Option Shares and to enable it to be registered as the holder of the Put Option Shares.

24. ALLOTMENT OF SHARES

24.1 Subject to the remaining provisions of this article 24, Shares shall be under the control of the directors who may (subject to the Act) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such matter as they think fit.

24.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

24.3 Any authority granted to the directors to exercise powers to allot Shares under section 550 of the Act or (at any time when there is more than one class of Shares in issue) under section 551 of the Act shall, in the absence of an express ordinary resolution to the contrary, be limited to such aggregate number or aggregate nominal value of Shares as shall ensure that the Trustee Shareholder shall continue to hold not less than 50% plus 1 of the issued Shares from time to time.

25. PURCHASE OF OWN SHARES

- 25.1 On, or in anticipation of, completion of a purchase by the Company of any Shares in accordance with these Articles:
- (a) each Shareholder who is eligible to vote shall vote in favour of any resolution to approve a buyback of the relevant Shares by the Company (to the extent that the Company is legally and financially able to do so);
 - (b) the Seller shall deliver, or procure that there is delivered to the Company such documents as the Company reasonably requires to meet the legal requirements of a buyback of the Shares by the Company, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Company may reasonably require to show good title to the Shares;
 - (c) the Company shall pay the purchase price for the Shares being bought back by bank transfer in cleared funds (or such other method of payment agreed between the Company and the Seller); and
 - (d) any Sale Shares bought back by the Company may be cancelled or held in treasury as the Company may, in its absolute discretion, decide.
- 25.2 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own Shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- (a) £15,000; and
 - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

DECISION MAKING BY SHAREHOLDERS

26. QUORUM FOR GENERAL MEETINGS

- 26.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 26.2 Where the Company has only one shareholder for the time being, one qualifying person (as defined in section 318 of the Act) present at the meeting shall be a quorum. In any other case, the quorum shall be:
- (a) two shareholders, to include the Trustee Shareholder, present in person, by proxy or by authorised representative; or
 - (b) if the Company does not have a Trustee Shareholder for the time being, or if the Trustee Shareholder holds less than 50% plus 1 of the Shares, any two shareholders present in person, by proxy or by authorised representative.

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 29.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) 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;
- (b) if sent by fax, at the time of transmission;
- (c) 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;
- (d) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; 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; and

if deemed receipt under the previous paragraphs of this article 29.1 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.

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

- (a) if delivered by hand the notice was delivered to the correct address;
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number;

- (c) if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

30. INDEMNITY AND INSURANCE

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 as a relevant officer in the actual or purported execution and/or discharge of his 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 he 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
- (b) 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 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 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.

30.4 In this article:

- (a) companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (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 is also a director or other officer), to the extent he acts in his capacity as auditor); and
- (c) 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.